Building a Process to Scale AdSense-powered Websites for Sale - With Mike Thomas

Watch the full video at:
http://www.domainsherpa.com/mike-thomas-mikefrommaine-interview/

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain…or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name entrepreneur and investor directly from the experts.

Just before the housing bubble popped in 2008 and we formerly entered into a recession, there were a lot of people making money on the Internet with websites that were made for Google AdSense using exact match domain names.

The idea was simple. Buy an exact match domain name, like LowInterestCreditCards.com, build a website, do some search engine optimization to get it to the top of Google and other search engines, place some Google AdSense on the site, and hope that people click on the links for advertising when they come to your website.

Since then, we all know that Google has implemented search engine ranking algorithm changes, called Panda and Penguin, and they continue to do so on a regular basis; and has made claims that exact match domain names are not worth as much value in search engine rankings as it used to. It is 2011, and if you missed the early days, you are out of luck. Or are you?

Today we are joined by Mike Thomas from MikeFromMaine.com, where niche websites with exact match domain names are built, ranked, monetized, and offered for sale. Mike, welcome to the show.

Mike Thomas: Thank you very much. It is nice to be here, Michael.

Michael: So, where are you from, Mike?

Mike: Well, originally from Bangor, Maine, but I am currently living in Istanbul, Turkey.

Michael: All right. And I appreciate you staying awake. It is midnight in Istanbul.

Mike: Yeah, it is.

Michael: But it is Europe, so you do not even get ready to go out for the night until one o'clock or two o'clock.

Mike: Exactly.

Michael: Great. Well, thanks for making yourself available at midnight.

Mike: No worries.

Michael: So, Mike, in your own words, what is the MikeFromMaine.com Business Model?

Mike: MikeFromMaine.com actually started out as just a personal blog of mine, and it developed more into a way for me to keep track of the AdSense sites that I was making. The different sites I was making. The costs that I had. The revenue that was coming in from those. And it developed, from there, into a way of explaining to other people exactly how I was doing this; and by explaining to other people, I was able to, in a way, go back through my own process and tweak what I was doing myself. So, MikeFromMaine. What is it? One, it is a place for people to learn how to make AdSense niche sites, and learn how to flip them and make money from them. Two, it is a place where, if you do not want to make the sites yourself - if you do not want to go through the process of learning how to do this and buying all the tools -, you can just buy a site directly from me. And, in theory, it is becoming more of a way for me to diversify my income. What I am trying to do is, as I am developing my own Internet Marketing portfolio, I am bringing my readers along with me to share the journey and to learn from my mistakes and my successes. Therefore, that is why I have recently started to do a show, kind of like yours, Michael, where I interview other people that are making money online, and trying to learn from them and, at the same time, sharing that with my readers.

Michael: And that makes perfect sense. And I have gone to your website and I have got a bunch of pages printed out over here on the site where I am going to make reference to them later in the interview. And I saw that there are not any pay walls. You do not require me to sign up in order to watch the

step-by-step how to choose a domain name, how to setup a niche website, and things like that. How do you make money if you are bringing all these people along with you for the journey?

Mike: Well, the way I think of that is that if you create that pay wall, then you are going to immediately close off so many people from even coming in and seeing what you have to offer. So, especially when I was first starting out, people did not know who I was. Who is Mike from Maine? It is just another person on the Internet trying to make money. So, what I did was I tried to make everything readily available to people; and by doing that, I can explain. For example, I explained how to do keyword research. And in the video on How to Do Keyword Research, underneath it, I have links to different products that I use myself. There is one thing called Long Tail Pro, which is a keyword research tool that helps you find exact match domains that are available. I use that myself, and I show how I use it myself. And if someone comes and clicks on that link and signs up for it, then I am going to receive an affiliate commission. It is not going to cost them any more than it normally would, but as sort of a payment to me and as a thanks to me, I get a commission from it.

Michael: Makes perfect sense. So, I am looking at the tools I use to make niche websites, which is a page from your website; and I can see you use WP Gold Mine. You use Long Tail Pro. WP Twin. You use a theme for WordPress, called CTR Theme. You use SocialAdr. So, any time somebody clicks those and signs up, those companies make some money, they use a tracking URL provided to you, and you make a commission.

Mike: Exactly.

Michael: So, full disclosure: you are making commissions of all those links. And people can click them or not click them. It is their choice, but we just want to let people know.

Mike: Yeah, and if they want to just type in the service in their browser, go ahead. You do not have to go through my affiliate links, but I put those options there for people; and if they want to click them, they can.

Michael: You bet. How long have you been operating MikeFromMaine.com?

Mike: Well, that is an interesting question. I have been operating it as a way of a selling niche sites. February 2011 is when I first started tracking my journey of niche site creation. It has really only come into becoming a profitable website since probably March of this year. And that is because I start selling the sites that I had made through AdSense. I started listing them for sale on my site. And once I started doing that and, once I started creating the videos that were showing people how I was doing it, that is when it kind of started to explode.

Michael: Yeah, and we will go over some of those. And I can see that you make most of your revenue in any given month because you are into full disclosure as well and you actually have a page on your website where you update everybody on your revenue and expenses. So, people can look at your total revenue, your expenses to generate that revenue, and then your profit line. So we will get into that because I have some questions for you about that. How many niche websites do you typically build in any given month?

Mike: It can vary. Anywhere from twenty to a hundred.

Michael: Twenty to a hundred?

Mike: Twenty to a hundred. And I think the most I have ever done in a month is probably one hundred and fifty; and that was quite a busy month.

Michael: So, one hundred and fifty. You are essentially building five websites a day.

Mike: And when you say, "you are essentially building five websites a day," I need to make it clear that I actually have a system where I outsource pretty much everything. I outsource the keyword research. I outsource the WordPress website creation. I outsource link building and content. Pretty much everything. I am more the manager and supervisor. I go in and kind of make sure that everything is running smoothly. So, I am not actually sitting down in my office everyday and making these sites, but I am watching over everything.

Michael: Got it. All right. And on most of these sites, let's see here. I printed off a list of all the websites that you have listed on your website, Mike. Are these all the websites in your portfolio, or are these only the ones that you are listing for sale?

Mike: The ones on my site's For Sale Page are only the ones that I am listing for sale. And, on that page, I list the sites by how much they made in AdSense for the last thirty days and, if you look up in the Adwords Keyword Tool, how many searches that keyword should get a month, and what the cost per click is.

Michael: Competition. Whether there is brand. Yeah, okay. And so, how many sites are in your portfolio today would you say?

Mike: I took a look at it before the interview. I think it is around six hundred and fifty.

Michael: Wow. Okay. So, six hundred and fifty, and you probably have - oh, I don't know - a hundred to two hundred listed for sale. Is that a good estimate?

Mike: I checked out how many that I have sold so far, and I have sold about one hundred websites since, I guess, March or April, when I started selling.

Michael: Wow.

Mike: Yeah.

Michael: Okay. And so, we will get into the tactics that you used to sell those websites as well because it seems like you have been pretty successful in doing that. I know that there are ton of domain name investors that do not understand how to build sites that would love to be able to sell a hundred domain names since March 2012. All right. So, we talked about how many you build on average, how many you have in your portfolio, how many you own, and for sale. What about domain names? If I look at the six hundred and fifty total websites that you have developed, do you have six hundred and

fifty domains, or do you own a lot more domains that are just waiting to be developed out?

Mike: Of all those domains that I have mentioned - the six hundred and fifty - , those are all websites. So each one has WordPress installed on it. It has a theme. Content. At least one page of content. Most of my sites are only one post. And they have a Privacy Page, an About Page, a Contact, and one post of content of seven hundred and fifty to eight hundred and fifty words on them. So, no, I do not have just regular domains with no content on them. I have websites.

Michael: Got it. All right. So let's talk about the process from beginning to end because you outsource every single step, but let me ask you about the outsourcing. Do you outsource the keyword research that finds the niche and the domain name to one person, then you outsource the article writing to another person, and then the website creation to another person, or is there one person that handles A to Z for you?

Mike: What I have done is I have kind of created a factory line. So, I have got one person that I trained through videos. I have trained him and I bought for him Long Tail Pro, and what he does is he follows my video instructions and does exactly what I would do if I were doing the research. He does it and then he reports back to me by putting them in all in a Google Docs Spreadsheet. So he puts that into Google Docs Spreadsheet and I can just go and check-in and see how much work he is doing. So, for that, that is one person. After we have chosen the domain name, I go in and I use a free system called Trello. I would really recommend it to anyone. It is completely free.

Michael: Trello.com. It is by the gentlemen that came up with the Fog Creek website and Fog Bugs.

Mike: Really?

Michael: It is a great system.

Mike: It is an awesome system. It is so simple, which is why I love it and I use it for my process. I go in there and I will put that domain into that system,

and then another person will come and they will see the domain there, and they have access to my Host Gator and my GoDaddy account and everything. And they go in and they will make the WordPress site. Now, there is another person that I have hired that is an article writer. They will come in and see that keyword - that domain - there needs to have an article written for it. They will write an article for it and they will attach it to the card in Trello. Then, the WordPress setup person will put the article on and then it will get moved along. If you know Trello at all, maybe you should include a link to it. It is a card system, where you can move from left to right until the process is completed. So, that card will get moved on to the next step, where link building will get started by another person. And then another person does another part of link building. So, I have got people working on websites. We have got about six people getting it from start to finish.

Michael: Makes sense. So it is basically just a simple six-step or so process where you take it from keyword research to completed website and link building in order to get it to rise up the search engine rankings.

Mike: Exactly.

Michael: Very simple. You have created videos for every single step in order to give them the instructions at every single step. And it sounds like you sign into Trello or you sign into Google Docs and look at the shared document for research, and you are able to approve or not approve the certain steps. I do not like this domain name because I am from the US and I realize that that has wrong connotations, for example, so do not move forward on this domain name and move forward on this one.

Mike: Yeah, exactly. And actually, because I explain it really well to them, usually that domain name that I will not like will not even make it there. So it will already be taken out. I will give them feedback and they will use that feedback for further research.

Michael: Right. Understood. So you have, let's say, six outsource providers. Do you use the same people every single time?

Mike: No. For the website creation process, same person. Keyword research, same person. But writers, I have found that, when are trying to find people to write articles, if you are doing it bulk, it is really hard to find a person that is going to be there for you all the time, or that is not going to burn out. And I do not want to play cat and mouse, and going after them and trying to get them to come and do the articles. So, what I have done is, through oDesk, I have just gone in and hired - I think I have - twenty article writers. And what happens is they all have access to Trello. And when I put up new domains in Trello - maybe I will buy fifty websites and I will put them up there - and they are waiting for an article to be written, the article writers will come in and assign themselves to the articles. And once one person has assigned themselves, then another person cannot take the article. So, pretty much, it is on a if you want to make money, you can; if you do not want to do it, you do not have to, but it works out really, really well as far as getting the article turnaround. I usually get it within twelve hours to twenty-four hours each one I put up.

Michael: Yeah. Okay. And so, doesn't oDesk require you to actually put the job into their system to have people bid on it? How do you manage the two separate systems? You have got oDesk, where people actually record what they are working on and how much you are going to pay them, and when the work is done and approved. And then you have got Trello, which is your system to manage the workflow.

Mike: What I do is, in oDesk, it is setup so that when they apply for the job, I tell them: "For every article you complete, I will pay you a certain amount of money." With the oDesk fees, I pay $4.44 for each 750 to 850-word article. So, every week, they go into Trello, they do their articles, and on every Monday, they send me an e-mail with a list of the articles that they have done. And on that Monday, I will go and check and see they have done five articles. I go into oDesk and then I pay them.

Michael: Okay. Makes perfect sense. $4.44 per article.

Mike: What can I say? It is not a huge amount of money, but also article quality, I am not expecting them to be writing amazing content here. This is content that is going to be used for an AdSense niche site. Pretty much, the

purpose of these sites is not to be beautiful, it is not to be artistic; it is to make money with Google AdSense.

Michael: Okay. So, I am not judging what you are doing, Mike. I am just trying to clarify the whole purpose of this website is not to educate the reader that comes to this website. The whole purpose is to make money for the owner of the website.

Mike: In a way, yes; in a way, no. The thing is if you go and you put up just complete garbage, then eventually that website is - in fact, it is a manual check by Google AdSense or Google Search - going to get taken down and slapped. But all my articles are written by native English speakers. So I do not have people from India or the Philippines writing in English as a second language or whatnot. So it is going to be real normal speech English. At the same time, some of my sites - I will give you an example of something. It is BlueScrewdriver. Blue Screwdriver. How much can you write for the keyword Blue Screwdriver? What can you really write about that? You know what I mean?

Michael: Right.

Mike: And if you have a website that is BlueScrewdriver.com and you have to write an 850-word article about blue screwdrivers, it is hard to really create something that is going to be great for the end user. But if you talk about the different screwdrivers on the market, the ones that are blue; if someone is searching for a blue screwdriver and you tell them Black & Decker makes a blue screwdriver and you can get it here, I guess you are providing a service for them. But if you want to talk about ones that are -- I will give you a real life example. MoneyOrderOnline.net, which is a site that I sold on Flippa. That website, if you go and check it out, talks about how to get a money order online. Now, it does not give you a link to go and get a money order online, but there are advertisements there that are going to lead you in the direction that you want to go and it is going to lead you to a place where you can get a money order online. So, personally, I do not see anything wrong with that.

Michael: Okay. So, what do you know about Google trying to delist made for Google AdSense websites? And how has your business been impacted by that?

Mike: For every site that I make, I have an image on my site; I have unique content. All the content is completely unique. It is not that garbage auto-blog content. And I put a unique header for every site that I have. So, I try to make it look pretty. I try to make it, at least, unique. As far as Google not liking made for AdSense sites, I do not believe it because I think that any website, or most websites, that people are making where they are putting AdSense on them are made for AdSense. They are making them with a specific reason of making money from AdSense. Now, that being said, if you have your website and on the page, at the top, it is just all AdSense and then gargled text, you know the difference. I mean you have been to sites where you have said: "Okay, this is a site that is making money from AdSense, but I will take a look at it" or "This is a site that is completely garbage, and I am clicking back." If it is complete garbage, people are smart enough to click back and you are not going to make money from that site.

Michael: Right. But aren't you worried because you are only developing one page of content on many of your websites that they are going to be the one-site click and then they click back, which Google then records and will somehow demote you over time?

Mike: You are talking about bounce rate?

Michael: Correct.

Mike: I guess. I mean, with a high bounce rate, the site might lose some rankings. It might not rank as well. But for the keywords that I am going for, in general, I am not trying to rank for keywords like Weight Loss or Lose Weight Now. The keywords that I am trying to rank for are ones that do not have very much competition in Google and that do not have very much written about them already. So, there is nothing else really there for people to search for. So, Google will go ahead and push it down a little bit, but there is not really that far to push it down most of the time.

Michael: All right. Let's take a look at one of your websites because I think it is a great example of what you have been able to do. Let's see here. So, one of the websites that you sold on Flippa on September 12, 2011 - so, just recently - was CartierEyeglasses.net. So, Cartier Eyeglasses, which are a popular brand name of eyeglasses. You bought the .NET. And if people want to go check out that, they can go to Bitly.com/CartierEyeglasses, and that is a quick link to the long URL. So, how did you find that Cartier Eyeglasses was a niche that was worthwhile to purchase a domain name and develop?

Mike: Good question. How did I find that domain? I did not find that domain, Michael. That would be my worker finding that domain. They would have used the Long Tail Pro Software. Gone in there and randomly typed in different words that they think that people are searching for that have commercial intent. So they probably went in there and typed in something to do with glasses, and they ended up finding that domain. It was available with high searches and high CPC Adwords click-through. And then we just went ahead and built the website.

Michael: Okay. Let me stop you right there, Mike. So, I did research just before we got on the air. If you go to Google and you type in Cartier Eyeglasses, there are 339,000 total records in Google's Index. So, a decent amount, but it is not a billion and it is not ten. If you go to Google's Adwords Keyword Tool, you can see that there is 1300 exact match searches for the keyword phrase Cartier Eyeglasses in the US. And the average cost per click is $1.46. So, a lot of people, prior guests on Domain Sherpa, have said, "Make sure you target a niche that has at least a thousand exact match. Not general match. Not wide match, but exact match keyword. And make sure it is over a dollar." So, you seem to have done that. What specifications do you give to your researcher when it comes to niches in terms of exact match search volume and cost per click?

Mike: Usually, as a rule, the formula that I use is the cost per click value multiplied by the local exact match searches times .01. And what that value will give you is the SEO value for the domain. Now, what I usually try to do is have that be a ten or higher. Meaning that if I can rank on the first page of Google and I start getting clicks for it, then they are going to be high enough

to make me money and it is going to be enough search volume so that it is worth my time doing it.

Michael: Okay. So that makes sense. So, CPC times local exact match. And local being United States if you are targeting people in the United States. Local being Turkey if you are targeting people in Turkey.

Mike: In general, I always look at United States.

Michael: Okay. And then, times .01, or one percent. And that will give you the SEO value. And actually, if you take a thousand United States local exact match searches, and you multiply it by a dollar cost per click, and you multiply it by .01, which is your formula, it comes out to ten. So, you are targeting ten or higher.

Mike: Exactly.

Michael: All right. That makes perfect sense.

Mike: I mean in that case, if something has five hundred searches, but it has a two-dollar cost per click, then you can still go for that. Some people will say: "No, if it is below a thousand, do not go for it", but you have to keep in mind the cost per click at the same time.

Michael: Definitely. Now, other people have pointed out that Google's average cost per click that they provide through the Google Adwords System does not necessarily match up with what is displayed on their website. So, if I go type in a search keyword phrase and it says the average cost per click is three dollars, and then I go to Google and type in the exact same phrase, there are no advertisements listed at all. Do you check for that sort of issue?

Mike: Sometimes I do. Sometimes I will go and check that out. What I usually look at is I try to make sure that there is advertising competition in the Adwords Keyword Tool. What a lot of people will do is they look at the competition section when they are looking up the keyword in Adwords and they think that is the SEO competition. They think that that is how hard it would be to rank a website on the first page of Google, but that really has

nothing to do with that. That is how many people are competing to bid for that keyword. So, if that has got medium to high competition, then I will go for it. If it has low competition, I tend to stay away from it.

Michael: Makes perfect sense. All right. So, your researcher will go out and, depending on what they are feeling like, and what they saw on TV, or what kind of searches they are doing that led them to other searches, they will find a niche, like Eyeglasses, that people have a need for on a regular basis that has a decent cost per click and traffic, and then they will start to look for the exact phrase that they should go after. Now, this phrase, for example, Cartier Eyeglasses. Are you worried when trademarks are involved in a domain name, Mike?

Mike: Am I worried? No. Because, of all the domain names that I have registered, which is, I guess, over seven hundred now, I would say that I get about three percent rate of getting an e-mail from someone complaining that I am using their trademark. And if I do get that e-mail, I will usually just go ahead and give them the domain back. In the beginning, when I first started getting them, I would kind of go back and forth with them. I have received a hundred dollars from people for the websites before just to give them back, but usually I just get rid of the pain and just say, "Okay, here." I will either cancel the domain or I will transfer it to them and it is done.

Michael: Have you ever been submitted as a UDRP case?

Mike: I had that happen to me one time. And what happened with that is they submitted it to my registrar. I think it was GoDaddy. And my credit card automatically got charged; I think it was, thirty or fifty dollars, or something. It was an automatic fee, and so I automatically lost that. And then their lawyers contacted me and I just said, "Okay. Fine. I will give up the domain." They did, I think it is called a, stay on the UDRP. I said, "I'll give it," they said, "Fine. Take it. We will stop the UDRP," and it was over within a couple weeks.

Michael: So there was no actual decision from the UDRP. It sounded like you handled it before it even got assigned to a panel.

Mike: Yeah. And I knew I was going to lose. They had rights to the trademark and the brand. I mean I have no foot to stand on when it comes to that. And I know that when I buy domains. But for me, when I initially register a trademark domain, usually it is within the first one month to three months that I will get contacted by them. And usually, when I first start to rank for it and they do their own search for the trademark, "Oh, who is this coming up in the search engines?" And then I get a message from them. But if it does not happen within the first one to three months, it usually never happens.

Michael: Yeah. All right. And so, you buy the domain and I see that, at least the domains that I have seen, Mike, most of them are .NET. Do you have an affinity for .NET that you just say, if it is not available in .NET, do not buy a domain name to your contractor? Or do you take any domain name that is available - the .ORG; .ME; .CC?

Mike: Usually, if the .COM is available, I will take the .COM. After .COM, .NET. After .NET, .ORG. So, it is not that I have an affinity for .NET. I guess I would actually have an affinity over the .ORG, so that might be why there would be more .NETs than .ORGs. But if I find the .COMs, I would take them, but they are usually not available.

Michael: And if all three of those extensions - those TLDs - are taken, then you move on to another keyword phrase?

Mike: I do not have any websites with .HQ or .INFO, or whatever on the end of them. It is all .COM, .NET, and .ORG.

Michael: Why is that? Why won't you go for a .INFO that indicates that you are providing information about that topic?

Mike: In my experience, I have had a .US before, I have never used .INFOs. I have never tried it. I mean that could be something that someone could go out and do a case study and try to see if they can get those to rank just as well, but it just seems like .NET, .COM, and .ORG are just more likely to rank, from my experience.

Michael: From you experience. Yeah. Okay. Let's see here. So, we talked about your search engine threshold. I went to CartierEyeglasses.net and I could see that it does not have that many pages on the website just like you described earlier. I went to Google and I typed in Site:CartierEyeglasses.net, and it shows seven pages in the index. So, basically it is the one page that you assigned to a writer and the other pages - the Privacy, and the About Page, and the other ancillary pages - it sounds like.

Mike: That is it. I mean it kind of amazes me that you can create a website with such little amount of content and get it to be so profitable at the same time. It kind of goes against everything that everyone has kind of been thinking these days.

Michael: Yeah. So let me ask you about that profitability. So, before we get there, you assign the one page about Cartier Eyeglasses, your writer wrote the content, you went to your developer who, it sounds like, you use over and over again, and they knew to setup a WordPress site. Are you using WordPress on GoDaddy? Are you using a multi-site installation at Host Monster? How are you setting those up?

Mike: What I am doing is something that I might change in the future, but I just go ahead and put about fifty sites on Host Gator. I think it is maybe a Baby Account at Host Gator. And I put fifty sites on there, and I do not use any kind of multi-site thing. They are just separate sites on their own. However, to manage these sites, I use a paid service called ManageWP. And what that does is it allows me to just login to one dashboard and I can update all the plugins and the themes. When a new version of WordPress comes out, I can just click a button and all of those sites are updated. Without that, a few minutes sitting down and updating WordPress on that many sites, it would be impossible.

Michael: Yeah. I recently came across that ManageWP Service, and it seems like a fantastic option for companies like yours that have a lot of different websites out there. Yeah, trying to sign into each one and then update and forgetting them. Here, you have them all located in one dashboard, and you can select them all and click update. And most of the WordPress updates are relatively benign, except for the major one that they just did about - I don't

know - six or eight months ago. And you use the exact same theme, and the exact same structure, and the exact same plugins on all of those websites, so you do not have to go and manually test each one of the six hundred websites you own.

Mike: Yeah. And when I install them, I use another service called WP Twin; and what that does is it creates a clone of a shell website. And I used that shell website to create all my other websites.

Michael: Wow. Interesting.

Mike: So, I do not use it. My employee uses it, but all they do is they upload that file and it gives you all the plugins and all the themes that I use with it. The About Page is already setup. They just have to go in and kind of fill out the unique part of it. Privacy. Contact Me. It is all ready there for you, so it saves a lot of time there.

Michael: Excellent. Yeah, I did not see WP Clone listed on your list of tools that you use, so that is a very good addition to the list as well. Okay. So, they create the new website. They insert your Google AdSense for Publishers Script, which includes your ID. So, Google knows that you own six hundred and fifty websites all using AdSense and all connected through domains likely on the same IP Address. Google has never reached out to you and said, "Hey, Mike, what you are doing really is not ideal", or have they reached out to you at all?

Mike: They have not reached out to me. They are not on the same IP Address though. They are all on different Host Gator accounts. I mean some of them are going to be on the same IP Address, but they are separated all out.

Michael: Okay. Interesting. So it is the Host Gator separate sites. It is called a Baby Account or something like that. I am not familiar with it, but you are able to get different IP Addresses and they assign them however they like?

Mike: Yeah. I want to say something though. There is another couple of guys that are doing very similar thing that I am and I have been influenced by them. They are called the AdSense Flippers. And they actually met with an

AdSense employee and went over the whole business model of is it wrong to have so many websites and is this going against their terms of service having these one to five-page websites with a little bit of content on them and with AdSense on them. And they were given the go-ahead by this AdSense employee. So, according to them, they said fine. As long as it is unique content, and you are not copying from other people, and you are not asking people to click on your ads, and you are not going against their terms of service, it should be okay.

Michael: Excellent. All right. I did a video - I don't know - about a month or two ago, Mike, that was called Spying On Your Competitors and trying to figure out what they use for creating their websites. And one of the tools that I use is WhatWPThemeIsThat.com. And I typed in one of your websites and it came back with the CTR Theme; and it is located at CTRTheme.com. Can you describe what that WordPress theme is?

Mike: Sure. Pretty much what it is, is a theme set up so that you can get the highest click-through rate from the visitors coming to your website. So, at the same time, there are different options for what you want the theme to look like. There are some that are uglier that might perform better and there are others that are going to look a little nicer, but maybe have a less effectiveness. I mean the whole idea behind it is kind of what it is called. It is the CTR Theme. It is trying to get the highest click-through rate and get the most value for each visitor that comes to your site.

Michael: So, the idea is you do not have to take a theme, buy a WooTheme or buy Thesis Framework, design your own theme, and try and figure out how best to monetize it. CTR Theme is a separate entity. It is not your company. It is an entire theme - maybe a framework; I am not sure - developed by a third party company, and their job is to try and figure out ways to get your website a higher click-through, and they have designed this theme - this software - to help you do that.

Mike: Exactly. And it is not necessarily the best one out there. It is one that I have used that has been successful for me. I am sure there are ones that are maybe free that you can get that are going to be very similar to it, but, for me,

it was not too expensive. I think it was $67 or something; and for that $67, I can use it on all my sites.

Michael: Oh, nice. Great. I think I looked at it a while ago when I was looking at different theme software. And it is interesting if you go and you go to the website and you look through it. What they do is they dynamically create pages, in some cases, where maybe they put the advertising on the left-hand side; and then, on the next page, they display it on the right-hand side. So, you, as the reader, do not become blinded to seeing the same advertising in the same position throughout the entire site. Now, on your site, it is only one page, so people may not be spending a lot, but if you have a website with fifty or a hundred pages of content, now you can force the user to see the advertisements. And Google is one of the largest sellers of advertising and that is content in itself. So, if you are coming to look at - what was your example? - money order online, there are going to be a lot of companies that are going to be aggressive in writing their advertising campaigns for money orders that are going to display on your site and you want people to see those.

Mike: Yeah. And like you said, I am glad you mentioned that. It is going to help combat, what they call, ad blindness because you are going to go a website and you are kind of trained now, especially people that are Internet savvy, to kind of ignore the ads. And that brings up another thing I would like to point out; is that when I do go after niches, I usually go for things that I do not think that people like you, Michael, will be searching for. I usually would not do electronic things because usually people that are searching for electronics are a little more savvy. I would not try going for Internet Marketing related terms because probably you are going to know what AdSense is and you are not going to click on the ads. It seems that older people tend to click on ads. Or if you get the over fifty crowd, they are going to be click on the ads more. For some reason, housewives and women seem to click on ads more. I do not know why, but it just seems to be a trend that I have found.

Michael: Yeah. So, you are saying that you have noticed this from your data and do you mean that you actually have data that shows that old people and housewives are clicking more? Or the websites that you develop, which tend to target those, like eyeglasses for older people or whatever housewives

might want, is getting a higher click-through that you notice on your websites?

Mike: I cannot give you actual data to back up that information, but there is a group of people that are doing the same thing that I am; and within our group, that seems to be a common thread - a common idea - that we have discussed with each other. It is one of those things that we all kind of know, but we do not have any proof for it.

Michael: Right. Definitely. So, I know that a lot of people in certain niches tend to get together online and discuss certain issues. I have some search engine optimization friends that do that. I have some publishers that I get together with and some entrepreneurs that I get together with. It sounds like you have a group of people that build websites just for AdSense, or primarily for AdSense, and maybe flip them that you get together with as well.

Mike: Right before coming on your show, Michael, I was speaking with Josh and Trevor from WSOtesters. They are also doing the same kind of thing I am - making sites and explaining how they do it. Having an open business model. We got together. We did an interview, which I am going to put on my blog tomorrow.

Michael: Excellent.

Mike: And then, after, we just chatted a little bit informally. So it is nice to be able to have someone that can understand your pains and you can just sit down and talk about how customers are relating to different things. What kinds of sites sell? What kind of sites do not? It is nice.

Michael: Yeah, definitely. All right. So we talked about your process steps from keyword research using your tools and finding the domain names to writing the article to cloning your website template that you have and modifying that to taking it live. And the last step is doing some link building. Well, actually, I should back up one step before that and ask you about search engine optimization, Mike. Do you have a preferred plugin for WordPress that you use for search engine optimization?

Mike: As far as that goes, I just make sure that I have the main keyword in the title of the website, of course. Of course, it is going to be in the domain name. It is going to be the exact match keyword. It is going to be in the post title. It is also going to be in, I think it is, an H2 Tag underneath the post title. Anyone that is interested in that can go and check out the Cartier site. All those sites are set up just like that. And then the main keyword will be in the first sentence of the article and in the last sentence of the article. And what I do to make sure that the articles are relevant to the keyword is I will go to Google, search for that keyword, and then if you scroll down the page, you will see related searches. And in that related searches area, those are words that are related to the keyword. So, when I have my article writer write the article, they use those related keywords. I have had them use all of them before. I have had them use five of them before. It does not really seem to matter. I feel like, if you use less of them, it will kind of make the article flow a little better and not seem like it is trying to rank for a specific keyword. But yeah, as far as using special plugins, and making sure keywords are in bold and italicized, and all this, I do not get too caught up in that. Maybe I should. Maybe it is a mistake I am making. I do not claim that my process is the best process or it has been fine tuned, but it works, Michael. So, if it ain't broke, don't fix it.

Michael: Well, as you were talking, I went to Google. I typed in Cartier Eyeglasses as two separate words. Number one that came back was your website. I looked at the source behind the code and I see that the title is the exact keyword phrase that you mentioned. You are using the Yoast.com SEO Plugin. I use that exact same plugin on a couple of my sites. So that gives you your, I believe, description meta tag. I am looking for that.

Mike: It is installed. I do not do anything special with it, but yeah, it is installed.

Michael: And so, I see exactly what you are talking about. That is the blocking and tackling of search engine optimization, as I understand it. So I just wanted to go over that for readers, so they had an idea about that, which is great. And then, of course, anybody that knows much about search engine optimization knows that that was enough to rank you for good prior to 2008, maybe in the late '90s to 2005 or so; nowadays, a lot of the search engines

like Google and Bing look for social signals. What are the backlinks coming in from other reputable sites? Are they indexed on social media? Bookmarking sites? Things like that. What do you do to build backlinks to a brand new website to try and show that the website has authority, Mike?

Mike: When it comes to building links to a website, there are people out there that say that you have to wait a week, two weeks, a month, or three months before you start building links. I start building them immediately actually. I do wait until the site has been indexed before I start building links. And the only reason I wait is because I use a tool called EZ Article Link that, in order to use the tool, the site has to be indexed. So, for link building, I put the site into EZ Article Link, which is a whole other software. If you are interested in learning about it, I explain all about it on my site. I put the domain in the software and, when I do that, I put the article that I have on my site and I have them spin it for me. So I pay them three dollars to spin the article and they spin it. There are other spinners out there - spinning programs -, but they do it at a better quality level than you would get from a program. So, they spin that and they submit it to their link building system. But I then take that spun article - that raw spun article - and instead of just using it at EZ Article Link, I also use it at SocialAdr, which is a service that build social links like Facebook Likes, Tweets, and different bookmarks. And I have that spun article also submitted to Article Marketing Robot and I also submit it to Unique Article Wizard. And those two ones are just article marketing services that will take the spun content and kind of tries to make it not be duplicate content.

Michael: So a spinning service, for those that do not understand it, basically takes your content and looks for certain keywords in there that have another word that they can change out for that word without modifying the intent of the content.

Mike: Exactly.

Michael: And then they change it for those words and it looks like it is a brand new article.

Mike: Exactly. And with these different services, all these links are not just thrown at the website at one time. Some of them come in faster than others, yes, but in general, these link building services are going to gradually build the links to the website to make it seem more natural because, if you just slam a butt-load of links to your website at one, it is probably going to get flagged.

Michael: Yeah. Google is going to look at it and say, "Hey, there is only seven pages of content here. One of which is a post. The rest are pages. Why do we have a million links coming into here? It is probably some sort of spam."

Mike: Exactly. And what I do is, if you add up all the links that I build, it is probably about five hundred to each website. But of those five hundred links that I build, not all of them get indexed in Google. So, I do not take those links and then Ping them to try to get them indexed. I just leave them alone and I let Google find some of them naturally. And if they find the links naturally, then they will be recorded back to the sites. It makes an unnatural system more natural.

Michael: Right. And that is what Google is looking for. They want natural links coming in. They do not want paid links with the exact same anchor text - the text that actually shows the link - coming into the website. They want to see a natural progression of links developed over time to your website.

Mike: And I wish that I could just take, for example, the Cartier Eyeglasses. I wish I could just write an amazing article on Cartier Eyeglasses and make something that is really great content, and giving examples of different glasses, and to just write something fantastic, and then know that that will rank in the search engines without doing any of these link building processes. But for the most part, unfortunately, that will not work. You can put up a great piece of content like that, and it is just, with all these link building schemes going on, impossible to get that to rank by itself. So, if I want to get these sites to rank, I have to use different link building tools.

Michael: Yeah, that makes sense. Have you ever been slapped by Google for too many bad links coming in, or being notified that it appears that you have an unnatural link building process in place?

Mike: Yeah. I have had sites de-indexed before. I will have sites move up and down in the search engines. And I have not gotten the unnatural link penalty. I have never gotten that from Google. But yeah, I have had sites just go away.

Michael: And what did you do in that case?

Mike: It is a write-off.

Michael: Yeah, you write-off that one site, but are you afraid that because you are using the same Google AdSense code that it is going to affect your other sites?

Mike: Am I afraid of that? No. The thing is, with Google Search and Google AdSense, they are separate. They are not working together with each other. So, if something happens with AdSense - if you AdSense account gets banned -, your sites are still going to be there in the search engines. Your sites are still going to be getting the traffic. I would much prefer my AdSense to get banned than for my sites to get de-indexed because you can always get a new AdSense account. You cannot bounce back from being de-indexed.

Michael: Isn't it difficult to get a new AdSense account because you have to show that you are an operating business and have a bank account, and I am not sure what other hoops they make you go through?

Mike: There is a guy. His name is Spencer Haws. He is over at Niche Pursuits. He is also the guy who created Long Tail Pro - the keyword research software. He builds niche sites. He had his AdSense account banned. Now, I am sure you have heard, when Google bans AdSense accounts, they do not tell much about why this account is banned.

Michael: Right.

Mike: But he had his account banned. I think he had different theories on why it was banned, but no one really knows. Anyway. So, he posted about his banning and then, a couple months later, he came back and posted about how he had gotten a new AdSense account, put it on all the sites that he had the previous AdSense on before, and he had received payment. I guess it was a couple times during that. So, the sites were not banned from AdSense; just the AdSense account was, and he kept getting paid by the new AdSense account. And you said isn't it difficult? He just started an LLC to get it coming up again.

Michael: All right. Do you do anything else, Mike, to maximize the site's earning potential, which then affects the final sales price of the websites that you are selling?

Mike: No, I do not.

Michael: Just that? Google AdSense?

Mike: Yeah, when I list them on my site's For Sale Page, whatever the site is making in my AdSense account, I just go in, I put how many views and how much it has made in the last thirty days. I also have Google Analytics. If people want to see that, they can see Google Analytics proof. But no, there is nothing else that goes on.

Michael: Okay. So, on your website, Mike, you have got a hundred to two hundred developed websites listed and you list them by site ID, you show a niche, like Home, or Sunglasses, or Mineral Makeup, the date you created it, the TLD, how much it has earned in the last thirty days. So, for example, site ID #4 made fifty-one dollars in the last thirty days. Where it is in the Google position. Some other statistics about where it is listed. And then, in some cases, you actually list if it is sold or if it is currently available and then what the price is.

Mike: Exactly.

Michael: So, in that case - site ID #4 -, in the thirty days prior to selling it I assume, it made $51.43 and you sold it for $1,028.60.

Mike: Yeah, that is the way this works. If the site gets sold, I will make them off as sold. This one I actually sold on Flippa. So it does not matter where it gets sold. I will market it off as sold there. But if you click on the click here link, then you can send me a message if you are interested in buying a site or not, and then we can talk from there.

Michael: Now, why don't you say what the domain name of the site is?

Mike: That is a good question. If I reveal the keyword for the domain, then anyone can just come in and see: "Oh, look, this is a fairly easy keyword to rank for. I will also build a website off of it." And so, by not revealing the domains, I am able to keep the integrity of the website safe for the future buyers, which I want my customers to be happy. I do not want customers to buy my domains and my websites and then feel like they have been cheated or something. I want them to be completely happy with our service, so it is really important to me that these niches are hidden for them.

Michael: Sure. And that makes sense, but if I am going to come in here and buy, say, site number eighty-one, Mineral Makeup, which made $5.33 in the last thirty days and I agree that $106.60 is a fair price for that domain, will I know the domain name before I actually pay you for it?

Mike: Usually what I will do is, if someone is interested in buying a domain and they really want to see the keyword, I will say: "Okay. Let me be sure that you are really interested in it. Put down a twenty percent down payment, non-refundable, and you can see the domain." And everyone that has done that has gone ahead and bought the site. I mean it is just to make sure that you do not have people coming that just want to get free keyword research. That is protecting it from that.

Michael: That makes sense. All right. And especially in a hundred dollar one. You are putting down twenty dollars in order to take a look at it. You do have some domains that are more expensive. For example, you have got ID #3 is in the construction area, and it made $89.25 in the last thirty days. And you have it listed for $1785. So, if I wanted to take a look at that one, I would have to put down about $340 to take a look at it. And what it is going to be is

some construction website; and you tell me exactly what it is here. Let's see here. Where did that go? It has a Google position of three. So, whatever the keyword phrase is, you are listed in Google position number three. It has 2900 local exact match searches at an average cost per click of $1.64 on the Google Adwords System.

Mike: Exactly. So, when you take that keyword and you put it into the Adwords Keyword Tool, it is going to be exactly that, or very similar if it has changed at all. You know how these things can be.

Michael: Have you ever had a case where you sell the domain name and somebody comes back to you and says: "Hey Mike, now I am in position six and the Google search volume has gone from thirteen hundred to nine hundred"?

Mike: Why would the search volume change? For the keyword?

Michael: Correct. You type in that construction phrase and, instead of the thirteen hundred local exact match searches in any given month, it has gone down, let's say. Google updated their database finally and it has gone down.

Mike: Never happened.

Michael: It has never happened to you?

Mike: Never happened.

Michael: What about a delisting? If I bought a rank three and suddenly I was in rank number one, I am not going to complain about it of course, and I am going to expect the same price. But if it goes down like five or six positions or, worse yet, falls to page two, so position numbers eleven through twenty. Have you had that happened to you in the past where somebody purchases it and it has fallen?

Mike: What I usually do is, right on the page, I tell people: "Okay. The information quoted here is going to be the last month for the site. Now, in the next month, it might go up in price and it might go down. And by price, I

mean the revenue might go up - the income might go up - and the income might go down." And I want to make that clear to everyone because I am not Google. I cannot control that. However, you asked if there has ever been a big difference after a sale, I think? And yes, that has happened before. And I try my best to make my customers happy. I had one guy who bought a site from me. I think it was maybe two or three hundred dollars that he bought it for. And I think a couple days after he bought it the rankings went down. I think there was some kind of Google update and the rankings went down, so he came back to me, he was really polite, and he was just like, "Hey, I don't mean to complain, but this site should be getting X amount of money per day probably and it is really not living it up to what it is." And I said, "Hey, let's wait a month. Let's see what it does because, some of these sites, it says they make ten dollars in a month, but it is not going to be gradually every single day making a certain amount of money. You might have five dollars in a day, and two dollars in a day, and so on. I said, "Let's see what it does in a month, and come back to me." He came back to me a month later and showed me the AdSense and made some money. I said, "Okay, let's take the amount of money. I will give you the difference in another site." So, if the site was supposed to make ten dollars in a month and it made five, I gave him a credit for another site that made five dollars in the last thirty days. And he was more than happy with that. And he is going to give me a testimonial or something for that, so he is happy.

Michael: All right. And yeah, I can understand that people often times have certain expectations, even though, I think, you state pretty clearly on the Flippa auctions and maybe on your website that people are buying them as is. And if you go to Flippa, one of the benefits is that, I believe, you give Flippa your AdSense account information so that they can sign in and verify the sales for the past few months. And so, it is not you saying here are the sales because we know there are people out there that will doctor up photographs or images to make it look like it made a lot and sell it, and then vanish. So you use Flippa a lot because they verify it. How do you handle it when you sell directly from your website, Mike?

Mike: Well, first off, I want to say, with Flippa, that when I do sell a site on Flippa, they do a verified Google Analytics. You get the Google Analytics verified and you get the verified AdSense, so people are going to feel much

more comfortable being able to see where the traffic came from and also being able to see the AdSense income. Because you do not want to buy a site that, okay, made a hundred dollars last month, but all that traffic was paid traffic, like someone paid for that and just brought it all in. And then, you get the site and all the traffic is gone because no one is paying for it anymore. What was your question?

Michael: It is nice to have a third party website verify certain information between the buyer and the seller. How do you handle it when you make a sale through your website directly to an end user?

Mike: A lot of the time, because of my reputation on my site and in this whole circle, and because of my testimonials and just the general community, a lot of people do not ask too many questions. They see what I list on the site and they buy it like that. Some people want to see AdSense screenshots, and I will provide that if people want to see that. Some people want to receive permission to see the Analytics, and I will give that to them as well. So, I do not want to hide anything from them. I want them to know what they are buying when they buy it and being able to make an educated decision when buying their site because this is an investment for them. I mean the price is based on a twenty time multiple. So, twenty times the last thirty days of income is what the sites are going to go for. And that is based upon a number that the AdSense Flippers guys at AdsenseFlippers.com have kind of created. They kind of developed that multiple. And it is based on the fact that, on Flippa, I have had sites go for anywhere from five times to twenty times, and websites go for up to twenty-five times. So, it varies from place to place, but when I do list them on Flippa, I always list them with no reserve. So they are going to sell. Whether they are going to sell for ten dollars or three thousand dollars, they are just going to sell.

Michael: They are going to sell. Yeah. So I did an interview in the past with a gentleman named Thomas Smale. You may know him. He actually used to do a lot of what you are doing, where he would buy a domain name or a website, improve it in some way by driving more monetization, and then flip it, and now he just flips domain names. He gave the advice that if it is producing profit for less than one year, the typical valuation range should be nine to twelve times the monthly profit; and if it is more than a year, then you

can get valuations between twelve and twenty-four times monthly profit. Do you agree, in general, that if a site has only made revenue for a certain number of months - a short term - that it should receive a lower multiple?

Mike: I believe that the market will determine the price. And if people are willing to pay a certain price for something, then that is the price that it should go for. If you are a person that does not think that ten to twelve times is the maximum that you will pay for a website that is not over a year, then that is fine. Then you can go and you can find websites, hopefully, for that price. But for what I am creating here, and the amount of work that I put in, and the amount of value that I think I am creating with my different websites, it is going to save people a lot of time, and a lot of effort, and a lot of research, and a lot of pain of failing in trying to develop their own methods in doing this, the price is not just for the website; the price is also for the service at the same time. So your question is do I think that is.

Michael: Your answer is the market will determine the fair price, which is fair enough for me. But back to your last statement, Mike, you were saying that people are buying the service. What service are they buying? Is that the research that then goes to the article writing, which then goes to?

Mike: They are buying that as well. That is part of it. They are also buying me, in a sense. I am for sale here. On my website, I try my best to make myself readily available to people that buy my sites and to people that do not buy my sites. There is a chat box on my site that if I am at my computer, I usually have it on. If someone wants to come and ask a question about the niche site building process, or they have a question about buying a site, or they just want to chat, I am usually around for that. And I am not someone that is high on a pedestal and will not be willing to help people unless they pay me. The service that I am talking about is going to be customer service after the sale as well. People that are asking questions. "Oh, Mike, I bought this site from you. How do I get it to make more money?" Well, I will give you the best advice I can. I do not know everything, but I will sit down and I will help them with that. So, I guess it is customer service that you are also paying for.

Michael: Yeah, that makes sense. And I have gone to your website a couple of times in preparation for this interview and I have seen that little box in the corner popup and say, "Hey, this is MikeFromMaine.com. Do you have any questions for me?" So, I can attest to that. Mike, I am just thinking. I copied out all of the domains that are listed on your website for sale. Actually, it is all the domains that are listed for sale plus some that are sold, and I totaled them up and it came to fourteen hundred dollars per month. Now, these are only part of the ones that you own. You are not selling all of them. So, my next question is: how do you determine which ones you are selling versus which ones you are keeping for your own portfolio, or ones that are still under development and you do not want to sell them yet because you might be able to get the revenue up?

Mike: Usually, I try to wait a few months to let the sites mature before I put them up. I do not want to shoot myself in the foot by selling them (Unclear 1:11:17.2) and I also do not want to prematurely put them up and have them get that new site bounce. Sometimes a new site will rank highly in the search engine quickly and then fall down again. So I do not want to end up selling one of those and having to deal with a disgruntled customer. I mean that is not good for my brand and that is not good for them.

Michael: Makes perfect sense. So why not just keep all of the websites for yourself, Mike? You are making fourteen hundred dollars here. I am not sure how much you are making on the other four hundred plus websites that you own, but this sounds like a pretty lucrative business that you can just monetize yourself.

Mike: When I first started making the sites, the plan was that I was going to make all these websites and make it so that I was making - I don't know, I think my goal at the time was - three thousand dollars a month. So, with about two thousand dollars a month, I can live pretty well here in Turkey. So I just wanted to be able to have a passive income from my AdSense. Build the websites up and then just let it sit and collect the income. Then, after seeing what other people were doing in flipping, I realized that I could, instead of having to wait for months or years for these sites to make money, just immediately flip them to a market that was really looking to buy profitable sites, and take that profit and then invest it back into other

ventures. Whether it be building other websites, or trying to make an income through CPA Marketing, or (Unclear 1:12:59.2), or whatever it is, I am always looking for another way to reinvest my profits back into other streams of income, which is a really important thing for me. Developing different streams of incomes so when one does dry up that you have another thing coming back in.

Michael: Sure. That makes sense. Do you have a certain portfolio of your own websites that you are keeping and will not release because they are good earners?

Mike: I do not actually. And I usually release the most profitable ones. I will just release those out into the market. When I first started making AdSense sites, I remember it was difficult when I started selling off some of my babies. Some of the sites that I had personally made myself. And through the learning process of making those sites, I had grown them up and seen them rank in the search engines, and seen them starting to make fairly decent amounts of money everyday. Those ones were hard to sell, but I figured you got to let them go someday.

Michael: Definitely. So, one of the things that I appreciate on your website, Mike, is that you basically have a full disclosure policy. Here are all the tools I use. If you click on my links, great, I get a commission if you buy it, but I am also going to give you revenue updates. So every month, you do an update on your revenues. So, for example, I am taking a look at your August update right here. And you go through, line item by line item, what your expenses are. You paid $273 for ManageWP. You paid five dollars for a service called Pingler. You paid $29 for AWeber, which is a communication e-mail system. All the way down the line. So you had a total expense of $4,669. And the biggest of which was fifteen hundred dollars at oDesk, which we have talked about. You have a team of outsourcing providers that work with you. And then, on that $4,669 of expenses, you made $5,733 in revenue. And you made that, and you break it all down. You use a service called Text Link Ads. You use CPA Reborn. WP Twin. SocialAdr. You made for some commissions using that service where people clicked on your link and signed up. All the way down to AdSense of $2,010.50. So, the total profit was $1,063.72 and you actually made a note in here that last month

was not that great, but you were on vacation for, I think, two of the four weeks of the month.

Mike: Yeah, I am happy to make a thousand bucks and be on vacation. It is fine with me.

Michael: Yeah. So that is truly passive income. It is very similar to a lot of the domain name investors that buy domain names and park the domain names, where they do not have to do any work except change the name servers to a particular service and then register it with the service that the domain name is coming to them so that they can track it. Here, you are truly developing websites that are like parked domains, where you create unique content, a unique image, and written content with multiple pages that search engines can go to. So a very similar type of relationship, but it is all passive. You are not writing new articles every month for the websites. You develop your seven-page website, you put it up there, it continues to mature, and then you sell it someday.

Mike: Exactly.

Michael: So, I also want to point out for readers that, because it is passive, there is no more work by Mike involved. And so, the total profit is actually profit. If you are writing regular articles that would take him five hours per week and he values his time at a hundred dollars per hour, that might be five hundred dollars per week or two thousand dollars per month, and suddenly the total profit, when you include your time, is negative. So, people should think about how much time do you need to devote to something as part of that when evaluating a purchase. And the multiple that you are providing, just to clarify also, when I go to Flippa and I am looking at the website, it is the income over the past thirty days via Google AdSense. You are not using any other advertising for cost per action-type ads. You make it very simple. There is one revenue source for the website, it is Google AdSense, and here it is verified.

Mike: Exactly.

Michael: Okay. Have you ever had any customers complain that once you have stopped using SocialAdr.com, which is used for continuing to develop in-bound links, that the ads did not service as much advertising, or that the ads did not produce as much advertising?

Mike: With the sites that I sell, I do not remove them from the link building tools. So, after you buy a site from me, you are still going to be receiving link-building services, which is why I think that the multiple is justifiable; because you are still receiving the value of the link building, even after the site is sold. So, I do not delete them from my SocialAdr account. I have a fairly high SocialAdr account. So, yeah, they just keep on receiving links there, so that is not an issue.

Michael: Okay. And then, on that thousand-dollar profit, the biggest revenue source during the month was not Google AdSense, which was two thousand dollars. And people can go your website and look at this. It was actually the website sales. You made $2,539. Do you remember how many websites you sold in that month?

Mike: Last month.

Michael: In August, yes.

Mike: I don't know. Maybe around fifteen. I mean I am not quite sure. Maybe five, ten, or fifteen. Not many. It was just a few sales. It was not that many.

Michael: Sure. Okay. So the example that we provided of the CartierEyeglasses that sold for $1550. That was a good sale. That was a high sale. Most of your sales are around five hundred dollars or so, or three hundred dollars?

Mike: Actually, I have just started listing some smaller sites. Maybe thirty to sixty dollars on my site for sale. And what I am trying to target there are people that are kind of on the fence and not necessarily know who I am yet, and maybe think, "Okay, I am going try out one of these smaller sites. See if it is actually getting traffic. See if it does get a few clicks from AdSense." And then, hopefully, they will come back and invest in the larger sites for

sale. I mean it is a much bigger commitment. I totally understand that. You are buying a site that is expensive. But if you buy a site that is a hundred dollars, it has made five dollars in the last thirty days. And if you expect that site to make you a lot money, you are going to be sorely mistaken. But I have got some up there for sale that made fifty dollars in the last thirty days and you are going to pay around a thousand bucks for it, and you should expect to make around fifty dollars in the next thirty days.

Michael: Right. And you will back your investment in twenty months. The definition of a twenty time multiple.

Mike: Exactly.

Michael: And then anything past twenty months is gravy on top of it.

Mike: That is the idea. The best situation that could come out for the buyer is that they would make back the money within twenty months and then everything else for the rest of their life would be profit on top of that. They could keep the site or they could also flip the site themselves.

Michael: Right. Or they can add some additional advertising and some additional content and maybe flip it. But there is inherent risk in buying this because Google could put forth a patch or an update on their algorithm tomorrow and all of these website could fall off.

Mike: There is inherent risk in any website that you buy. So, in any business that you are doing, there is going to be risk involved. So, if you are not willing to take that risk, then I would say do not buy a website. I mean if it is something that you feel like you want to do, and maybe develop, and learn how to build these sites, then I think it is a great example and a great way to get into niche site building.

Michael: Yeah. So, if you were to look back and your brother, or sister, or best friend would come to you, Mike, and say, "I am a potential buyer. I want to get into these websites," what kind of due diligence would you recommend they do before they buy a website like CartierEyeglasses.net or some other website off of Flippa? What due diligence would you ask them to do?

Mike: I would say make sure you go and check out the AdSense. Make sure that, along with the AdSense, you look at the Analytics because you want to make sure that the traffic sources are actually coming from Google. If you look there and they are coming from other websites or it looks kind of fishy, then it is not going to be an optimal purchase. All my sites, the traffic is mostly coming from Google. Sometimes Yahoo a little bit, but most of the time it is just SEO generated traffic that is free. So you want to just make sure that that traffic is going to keep on coming.

Michael: Yeah. Okay. So, make sure it is good traffic coming in. So you want to look at the referrals of it and make sure it is Google or other search engines and verify the revenue figures.

Mike: Yeah. Pretty much what I am saying is you want to make sure someone is not just buying traffic and sticking it in there because anyone can just buy traffic and build up an AdSense revenue for the last thirty days and fake it like that. And then, once you have it, the traffic is gone and the revenue is gone.

Michael: Definitely. So what about people being in other countries? You are in Turkey. If somebody has an issue with a website, there is not much recourse besides if you are willing to walk away from your website - MikeFromMaine.com. You are not in the Better Business Bureau in the United States. You do not have a US address that people could go to or serve papers to. Is that a concern that people should have?

Mike: I am quite available through Facebook, Twitter, LinkedIn, on my website, and through Skype. If you are worried about something like that, I would go ahead and look at the different testimonials that people have written about me. If you want me to put you in contact with a past buyer, I can do that just to kind of make sure that those are real. My whole business here is I do not want anyone to go away from a sale with a sour taste in their mouth. If you buy a site from me, that is great. I want you to be happy with it. If you do not buy a site from me, go ahead and just learn how to build them yourself. I am just trying to help people out is pretty much what I am trying to do here. And by helping people out, I do make commission from it; but at the same

time, I enjoy doing it, which is one thing that I think is really important here. I enjoy that I have been there where I did not know how to make money online. I did not know what to do. I did not know what SEO was. Link building. All that. But I have gone from that and I have come to here, where I feel confident with my system. And anyone who wants to learn it, come and e-mail me. Message me. I am here. I am available.

Michael: Great. All right. And those are some due diligence tips. I completed a video just a couple weeks ago about doing due diligence on domain names, on websites, on website services, and that was one of them that I recommended also. I am glad you brought it up, Mike. Look at the testimonials. Go to the websites. Contact the owners of the websites that have bought from Mike and ask them if they would buy from Mike again. That is a great way to determine if a supplier or salesperson is reputable. And of course, being available through multiple channels is another great way. Mike, final question for you. What plans do you have to scale or diversify your business - MikeFromMaine.com - in the future?

Mike: Right now I am trying to get into other things. Along with building niche websites, I am trying to figure out how to do some CPA offers. Buying paid traffic and sending it to different lead generation offers. So, I am trying to find different ways so that if something does happen and Google does make that update to the search engines, and something does happen where my business goes boom and just falls off the face of the earth, I would like to have some kind of alternative method, which I think that everyone should be doing. At the same time, right now, I have just completed my third episode on MikeFromMaine.com. Hopefully, Michael, I mentioned you before. I would like to pick your brain after this show and find out your secrets from you. But as far as niche sites go, I have got a huge inventory of sites right not that I am going to try to focus on selling. And I will keep on building niche sites in the future, but at the rate that I was going at before, I was building a hundred to a hundred and fifty sites a month, I will probably bring that down to about twenty to fifty sites a month just to get my expenses down a little lower. As you can see, I spent four thousand dollars in expenses in August. So I kind of need to go back to my system and reduce my expenses just a little bit.

Michael: Yeah. Well, and I should also point out, just in fairness, August not being a great month for you in terms of profit. If you go back in Mike's archives, you can look at July 2012, where he had made fifteen thousand dollars in total revenue and had expenses of $2,216. Ninety-two percent of his profit was driven by website sales. So, clearly, when you are focused on selling the assets that you have, you can significantly increase your income. You stated that that was your best month ever.

Mike: Yeah, and I would like to point out one of the keys to selling a lot of those sites was that I was readily available to my customers on my website. So, in August, I was on vacation, so I was not readily available and you can see that sales dropped. Now, back in September, I had been more available and I sold a lot more sites than I did in the previous month. So, anyone that is trying to do something like this that wants to set up a page where they have websites or domains that they want to sell, make sure that you are readily available to your customers because they are really going to want to talk to you before they will feel comfortable making a sale.

Michael: Definitely. Great advice.

Mike Thomas, Owner of MikeFromMaine.com. Thank you for coming on the show today, sharing your knowledge of building, monetizing, and selling websites, and thank you for being a Domain Sherpa.

Mike: You are very welcome Michael. It was a pleasure.

Michael: If you have a follow-up question, please post it in the comments below and we will ask Mike to come back and answer as many as he can. Be sure to go to MikeFromMaine.com, and you can read, and watch, his tutorials. He has got a Step-by-Step Niche Website Guide. He walks you through how to choose a domain name, how to setup a niche website quickly, writing the content, finding an article writer for the $4.44 that he is paying on oDesk, and also how to build links back to your website. He can be found on Twitter at @MikeFromMaine, on Facebook at MikeFromMaine, and if you go to his website, you will probably get one of those little popup windows and you can chat with him also. That's it. Thanks so much for sticking with

me, Mike. It was a long interview, but packed full of really useful information.

Mike: I hope you are able to get something out of it.

Michael: Definitely. Thank you all for watching. We'll see you next time.

Watch the full video at:
http://www.domainsherpa.com/mike-thomas-mikefrommaine-interview/