

\$1.5M AND 7 YEARS LATER, NOAH KAGAN OWNS THE KILLER BRAND FOR HIS 8- FIGURE BUSINESS



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Episode 373



Michael Cyger: Noah Kagan founded and runs a few businesses, like AppSumo.com and SumoMe.com – that collectively generate more than \$10 million in revenue. After six years of negotiating, he finally purchased Sumo.com. Why did he need it? How much did he pay? Stay tuned to hear all the details.

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Michael Cyger: Hey Sherpa Network. Thanks so much for joining me today. My name is Michael Cyger, and I'm the publisher of DomainSherpa.com, the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts.

I'm really excited about today's show, not just because it's a great story, and my interviewee is really interesting, which he is, but also because I've been a

customer of his since they launched their service back in 2010. So when his director of marketing reached out to me to do this interview, I jumped at the opportunity.

I'm pleased to welcome to the show Noah Kagan, Chief Sumo at AppSumo.com, a daily deal service that promotes cool tools and content, many of which I have purchased over the years, and SumoMe.com, online marketing software. Both of which help entrepreneurs "kick more a--", and I may have to bleep that because my kids are gonna watch this show.

Before founding his own company, Noah was a self-proclaimed cubicle monkey at Intel. He was the 30th, 3-0, employee at Facebook, and he was the 4th employee at Mint. He just started a podcast that we're gonna learn more about later in this interview. But first, Noah, welcome to the show.

Noah Kagan: Thank you very much for having me. Thank you very much. Is it video too or is it just audio?

Michael: It's video.

Noah: Hi everybody. I'm in Texas. We're gonna go a Texas drawl this whole episode.

Michael: Yeah, we talked about that before we hit record, so you better do it. I want the Hebrew Texan accent wrapped in together. And if you have any tacos, I wanna see them as well.

Noah: I got one on my fridge right there. I reckon that's a taco.

Michael: That is a taco.

Noah: I reckon on my artwork, on my custom artwork, that is a taco, sir, right up there above the building.

Michael: That is a taco. Who painted that for you?

Noah: His name is Tim Sneaks. Tim Sneaks is a man in Boston. I found him through this thing called Instagram. It's got a lot of Insta in it.

Michael: A lot of it. All right now, let's jump right into the headline, give people what they came here for. What was the domain name you purchased, and how much did you pay for it?

Noah: First I've gotta cry about the money. Gosh. That was all the Bar Mitzvah money I saved up over the years, Michael, and you what we get in Bar Mitzvah money.

Michael: Dude, it's a good payday, but it's not that good.

Noah: It's not that good. I actually never been Bar Mitzvahed on the real. I need to have a real Bar Mitzvah. One day when I see you in person, we're gonna have a real Bar Mitzvah.

Michael: We're gonna do it.

Noah: But we spent \$1.5 million buying Sumo.com.

Michael: Wow.

Noah: And now that I say that out loud, I can't either tell if I'm a genius or I am stupid.

Michael: Well, we're gonna dig into it and figure it out.

Noah: Sometimes genius is stupid, Michael.

Michael: So most people look at an end result, like I bought this domain name, or I built this business, and they don't see the labor, the follow up, the tactics, that went into it, so let me turn back the clock a little bit so we can

learn a little bit more about your products and set the stage for this purchase. When did you launch AppSumo.com?

Noah: March 10th of 2010.

Michael: 2010.

Noah: Yeah, I was living in a basement in San Francisco and, you know, I think the best business, I've actually talked about this on my show as well as I've thought about it, the best businesses are when you solve your own problem. And I was like, "Man, I really want, you know, I love marketing. There's all these cool products out there. I don't wanna pay for them. How can I get them for free? How can I get them for our Jews favorite number?" And so...

Michael: So you're not paying for it, but you're paying for it because it's not cheap to develop products.

Noah: It's not now, but when I did it, I just emailed these companies and I said, "Hey, I really love your product. Can I promote it for you, and give it to me for free, and I'll promote it?" Kind of like Groupon, and that's kind of the beginning of AppSumo." You can find online a little bit more of the details of that story, but that's how I got it. I just was like, "I really want free products, and I love online software. Let me hit up these companies." I didn't have the relationships. I just hit them up cold.

Michael: And they did it. They're like, "Sure, what do we have to lose?"

Noah: Well I tell you, this is one of the interesting things. Two best subject lines I've ever had in my life, two best subject lines. Number one, can I acquire you? I get literally an 80% to 90% response rate. I send it to my mom. She's like, "What are you talking about?" She's like, "Noah, I do not understand." Well she has a woman's voice. "No, I don't understand this." Second email that always works if you wanna have a great subject line is, "Can I promote you to a 200,000 people?" or "can I promote you?" All lowercase. And people are like, "Yeah, I wanna be promoted. Yeah, I wanna

be acquired." So those are the subject lines I used back in the day, and I still use them a lot, and get people to respond.

Michael: Yeah, all right. We're gonna have to use those. So you started in March 2010 with AppSumo, your daily deal for awesome people that are online. My first purchase was in November 2010. And I look back, it's like three pages, dude. I got a page in the history on my AppSumo.

Noah: Dude, you're like an OG. What was your first purchase?

Michael: Ugh, I don't know. I didn't look at hard. I didn't know you were gonna ask me questions. I just wanted to see what my earliest purchase was. And so then you launched SumoMe.com, which helps online marketing. What's the takeaway on that one?

Noah: Am I talking SumoYou, sir, or SumoMe?

Michael: SumoMe.

Noah: SumoMe, sir, not SumoYou? So SumoMe, so the true story. I'll tell you two stories. One's gonna be a lie and one's gonna be true. How about we do that?

Michael: All right, I'll guess which one.

Noah: So there was a Japanese man I met one day eating ramen. That is my favorite food. I love ramen, which also has the word "amen" in it, so it's not a coincidence if you didn't know that. Ramen has "amen." And he had a nice little website, SumoMe, and it was a ramen website, and we bought it for a million dollars. No, that is not a true story.

So we actually hit a plateau in our business. So we ran AppSumo three years. We made a few million bucks, just being candid, bootstrapped. And we got to this point for like two years, a year and a half, we kept trying new ideas, new ideas, new ideas. And nothing was moving the needle. And we're like, "Damn,

how the hell do we change this business?" And the biggest problem was that there was no consistency in our business. So some months we make a lot of money, and some months we make no little money. But what was consistent was our expenses. I do believe that to be the truth. And every month my tax man and my bank man said, "You need to pay this money."

And so I was like, "Well, we need to do something that we can have more predictable revenue and consistent revenue." So our first product after that was a course. A lot of people asked us how we built AppSumo, and I was like, "Well, let me just record how we've done it." And obviously, there's longer details to that story. But then we just cleared that course and then we're like, "Oh wow, we control the revenue here." And then SumoMe came out of that.

Well, afterwards, we were like, "You know, courses don't really scale very well." And you can only make a course so great. And we were like, "Well we built all these marketing tools that helped us get really big and make a lot of money. What if we sold that to people?" And that's where SumoMe is. It's like literally the tools that we've used to grow our seven figure business. I use it on my personal site, and now 100,000 other people use it for free to do their marketing on their own website.

Michael: Yeah, so why did you pick Sumo, you know, the Japanese wrestling activity to be your mascot, your brand?

Noah: Yeah, my first wife looked like a sumo. So I said, "Woman, you are gonna be the name, you are the love of my life." And so we named it app. App, it's after her. App is her first name. Her last name is Sumo.

No, so it's funny about the domain names, man. Like I am never...I've thought about a lot of this over the years. I've never cared about domains. I've always thought it was insignificant. When I was at Facebook, we were TheFacebook. When I was at Mint, we started out as MyMint. And when I was starting this company...you know, coincidentally, I thought big. And I think most people starting businesses aren't thinking big enough. And everyone listening, open your earlobes, or watching us visually, like whatever you're thinking for this

year, 2X that, and then think about how you would get there. And that will actually push you to grow your business a lot better than what you're already planning on doing. And I don't think people are thinking that.

So when I started this company, I actually called it SumoGroup, thinking that there would be a group and we'd have different products within our business. I don't know why, but I was thinking bigger at that time, and I'm still trying to do my best to think big. I don't care about domains where the story begins. So I actually called the company originally SoftwareSteal.com, where we would steal your software and then sell it to people. And I was like, "I don't think people would actually want their software stolen."

Michael: Yeah.

Noah: So I named it SoftwareTaco, and I only did domains that were available for whatever, \$8, or if you search GoDaddy at the time, if you click GoDaddy ads, you got them for \$3.

Michael: Yeah.

Noah: I think you still can probably.

Michael: Today, you can get them for 99 cents.

Noah: Yeah, and so I basically was like, "Well no one wants to steal," and SoftwareTaco, I was like, because it's all this free software in one place in a nice little roll. I want like, "Man, no one...software's old. Like no one uses that word." So then we literally, I spent a bunch of time trying to think about other things with "app." And this was before iPhone apps became big. So I kind of got f---ed on it. Fricked on it.

Michael: You're ahead of the times.

Noah: Yeah, I mean, I can't say that because you're kids and whatnot, but that's not, that's a bad word.

Michael: Now I need to mark that spot too, yeah.

Noah: Yeah, so whatever that was. About \$17.55. So kids, I just said the word "love." So if that was the word you wonder what was bleeped, it was the word "love."

So yeah, I basically was like, "Well, what other names can we do," because I thought software's out. So I did like app, and I wanted the word app because we were gonna do WebApps. And this is before iPhone apps. Steve Jobs screwed me. Steve, well I can't be mean to someone dead. I love you, Steve, but you screwed me buddy. And I get to shake his hand once, which was really cool.

Michael: Wow.

Noah: So yeah, we're like well what's app names, because web apps are gonna be cool? And in retrospect, I would never include that, never include that. So we did like AppEdo, AppMonster, AppChief. Chief was available but no one could spell the word chief, because it's I before E. And then Sumo someone said while we were drinking some beer, and it was literally at the bar. So my friend Rob who was a domainer, and he's the only one I know in the domain world really, he's like if you ever think of the word, it's worth \$8 just to like get it right then.

Michael: Yeah, good advice.

Noah: And I'm like, yeah, so that was one advice. We were like Rob, I'm talking to him, and literally as I'm talking to him, he's like buying it. I'm like, "Rob, what'd you just do?" He's like, "I just bought that word that you said." I was like, "It's my name." He's like, "I own NoahKagan.com. I got it." I was like, "Rob, dude, that's my name, dude."

Michael: That's not cool.

Noah: Anyways, I think that was a good tip where like if you're thinking about a name, so like Chief Sumo, I started calling myself Chief Sumo as part of the fun. I'm like, "I'm gonna be a Chief Sumo," because I think CEO is way too serious. And unless you're company's making a lot of money, you don't deserve to be a CEO. I think that's true. Unless you're Jeff Bezos, you ain't a CEO. You a CE Nothing, CEN. So anyways, I bought ChiefSumo.com. So any name you're kind of mentioning, it's worth \$8 for a year to hedge your bet.

Michael: Totally.

Noah: Yeah, so we did...

Michael: So how'd you pick the Sumo again?

Noah: Nothing, we were drinking beer. It was gonna be AppMonster, or AppEdo, or AppTaco, and they were all taken. I was like who are you people?

Michael: Yeah, seriously.

Noah: And I got a funny domain name. Let's go backing up in the near future. But anyways, so yeah, AppSumo was \$8.99 or whatever, or \$2.99 or whatever, and I bought it.

Michael: Picked it up, all right.

Noah: And here's the funny thing about the brand stuff. I've always hated the name, and our customers have always liked the name. So it's kind of a confusing thing where, you know, at the end of the day, like I do believe though, no matter...more important than your domain name is that your product or service is very valuable. And then your domain name is secondary valuable.

Michael: Yeah. All right, so you picked AppSumo, you went with it. At that time, did Rob suggest you, "Hey, if you love AppTaco.com so much, maybe

we'll contact that owner and try and buy it for you?" Was that ever part of the conversation?

Noah: I actually did it myself. Let me pull up the original emails. I do have them. I have, let me pull them up. So I thought, "Man, it would be cool..." it was after a year when the business was actually making some money. So I didn't wanna do it at the beginning because we weren't making any money.

Michael: Right.

Noah: But about a year into it, I actually the...let me pull up the exact email. It's really, really interesting.

Michael: So you went with AppSumo.com originally and you're like, "I still love AppTaco. Let me reach out now that I have some cash."

Noah: I liked Sumo. I thought Sumo was kind of fun. So what I did was I like did a whois look up on the domain, and I found the guy who owned it. And it turned out fortunately he was one of the wealthiest people in India, and he's the owner of the third largest newspaper there. And they're like a domain holding company of very premium three and four letter domains.

Michael: Are we talking about Sumo.com right now?

Noah: Yes.

Michael: Okay, so a year into it, you're like, "I love Sumo.com."

Noah: Well I thought was like, I hated AppSumo. You know, this 2011 is the original, this is the first email I ever sent to these people. Now...

Michael: All right, hey let me pause you right there, Noah, because I wanna set a little bit more stage. So you've got AppSumo.com. It's reaching like, I think you said in your podcast like almost a million people a week, right?

Noah: Yes.

Michael: And then you've got SumoMe. It's on 150,000 websites around the world helping people generate, you know, newsletter leads, and customer lists, and things like that. All in for your businesses, what's your revenue today from your Sumo branded businesses?

Noah: Ooh, look at you trying to be a little Andrew Werner. Look it, I like that.

Michael: Dude, I'll throw in a little Andrew there.

Noah: I reckon that's a privacy, sir. But I will say we are, I mean, I do not ask about your marital life. That is your business with your Mrs. But will tell you our revenue is in the eight figures.

Michael: Eight figures, over \$10 million.

Noah: Is that what eight figures? I meant \$8. \$8 is where I'm at, sir, believe that. So no, what I say...here's two things. One, you can ask revenue because it sounds good, or you could ask teammates. I don't call them employees because I think that's people who do work for you, not think about work and make work happen. I actually ask profit, right? Because profit is what really counts. And so what we do, is you know, we are an eight figure company and do make a good amount of profit. And so my goal at the end of every year is to have no profit. And what that means is that I've taken all the money and invested it in the business for a bigger future year. And we've been profitable since day one. But I generally try to hit zero profit with whatever growth happens, or revenue happens on that top side.

Michael: Gotcha. So a year into AppSumo.com, you were making revenue, generating profit. Do you remember how much profit you had that you started to think like, "Maybe I could buy Sumo.com."

Noah: I believe we did around half a million dollars in our first year in revenue. I think our profit, I know my salary. My salary my first year, I made \$40,000 in salary.

Michael: Nice, all right. So you had a profit, you didn't say how much. Roughly.

Noah: The profit, it doesn't matter.

Michael: It doesn't matter.

Noah: It doesn't matter. Like literally the profit is like \$100,000.

Michael: Okay.

Noah: I think it was maybe, it might have been lower than that. I was actually happy that, like if it's not at zero, it means I've done a bad job of like managing our finances.

Michael: Totally, I get where you're coming from. But I also wanted to ask because if somebody is running a business today, and they have no profit, and they wanna buy a four letter premium domain name like, hey, you need to reset your expectations on that. So you had a profit, you wanted to spend it and upgrade your domain name.

Noah: Totally.

Michael: So you did a whois look up. You found out that owner of Sumo.com was a wealthy individual in India.

Noah: It's Priyavrat. I'm looking up his...I'm looking at my original email. I sent it in April 13th, 2010. So actually I sent it almost...No, correct. I sent it two months after we started, or a month after we started.

Michael: Wow, so then what was the subject line that you used? I wanna buy your company?

Noah: here, I'll tell you...a screenshot of it so you can have it. It's "Sumo.com for sale?" At least, I'm glad I'm consistent, man. That makes me feel great. I love the name, really appreciate...talk about licensing. One thing I just wanna add, man, is that for a lot of people who weren't making that much money, because probably at the time I did have money in the bank. But if you don't have money, creativity is your friend, right? So if you wanna buy a domain is there a way you can do payment plan? Is there a way you can do licensing? Is there a way you can like trade them for something? Is there something else they want? And I think too many people give up after one rejection. I emailed him, literally this is almost a year ago, this is seven years it too me to get the name.

Michael: Wow, seven years?

Noah: And most people after like one...oh yeah, dude, I've got a Jewish mother. You know about that.

Michael: You will just nag over and over again until you get your way.

Noah: Noah, Noah, I'm like mom, I got it.

Michael: So you reached out to him, and you said, "Is it for sale?" And then what else did you say in the email? Did you offer up some additional thoughts, like licensing or something like that?

Noah: I did in this email. I'm sending a better photo of it for you. But I basically said, "Hey, are you interested in selling the domain? I wanna pay you for Sumo.com. Any chance you're interested?" And I don't think I would have put this again. I put "fingers crossed." And I had my AIM name. So I think those are the two things I'd probably avoid doing.

Michael: All right, and so how quickly did he respond and what was his response?

Noah: He never responded.

Michael: Never?

Noah: Never responded.

Michael: Wow.

Noah: Yeah.

Michael: That's kind of rude.

Noah: I'm a sensitive guy, dude. I'm like, "Bro, have you seen my chakra? You know that I'm sensitive." It's that time of the year.

Michael: Yeah, seriously, okay. So then what happened? What did you do? Did you just walk away or did you like wait some period of time?

Noah: You ever seen that movie "There Will Be Blood?" I sent my man after him and he found...no, what's that one? The one with that Antonio guy? Anyways, I'll find the movie. But yeah, what I ended up doing actually, I'm looking through my records, I found, I looked him up on LinkedIn, and I looked through anyone that he knew, and I befriended or reached out to see if they knew him. And it turned out like a few people actually that I knew, knew him in India. So I emailed him and I said, "Hey, like..."

Oh, here's the email. Here's exactly what I said. "Hey, I have a random request. I'm trying to talk to this guy, Priyavrat Bhartia, about buying Sumo.com. Says he's the owner. Would highly appreciate an intro way to reach him." So that's actually, wow, this is cool. This is in, actually holy crap, man, this is two years later. What?

Michael: So you waited two years after your initial contact?

Noah: Yeah.

Michael: Reached out to somebody you knew to make an introduction to you. And did they do it?

Noah: He did. So busy and rich people, to get access to them, I mean, you're gonna go through a lot of layers. So this guy, turns out he actually...I was incorrect. He actually runs India's second largest newspaper and he is the son of a massive business family in India. So he's hard to reach. And the story gets crazier as we go on, but yeah. So this guy actually reached to him, I'm gonna send him an email right now and say thank you.

Michael: So he reached out to him, he said, "Hey, here's my connection, Noah."

Noah: There's a stupid white guy you can rip off. You should talk to him.

Michael: Yeah, and so what happened then?

Noah: Then I actually...oh, I'm looking through my...this is so interesting. Then I connected to domain brokers because I thought that's what you had to do to make this stuff happen.

Michael: Yeah, which domain broker? DomainBrokers.com or like some other?

Noah: I used, they weren't bad, so I don't wanna name them because I don't think they were bad, but they weren't great. My friend Rob Barber is awesome. He was really helpful in the whole process. Like you guys can figure out like how much they bought domains for, you know that?

Michael: Yeah, of course I do.

Noah: They found out because they paid 250 for it.

Michael: 150.

Noah: 150?

Michael: No, they paid 450. Yeah, they paid \$150,000 for it in 2008 in May 2008 at Seedo [SP]. So it could have been an auction or it could have been listed. Huh?

Noah: How did you find that out?

Michael: NameBio.com, N-A-M-E-B-I-O.com.

Noah: Dude, so I paid...

Michael: It's like the MOS for domain names.

Noah: So here's what's interesting. A lot of people are like, "Damn, you paid 10X return," right? But that's 10X over almost 10 years from a name that like literally on their hand from an investment standpoint, there could have been no company that would wanna be a sumo that actually matters.

Michael: And you also gotta appreciate the fact that May of 2008 when he bought it, like we were entering a massive recession. The market had already fallen like halfway. It was on its way down. It was not a good time to be spending \$150,000 on a really speculative asset. And so, you know, he threw down. He had some money, but he threw down, put his money where his mouth was, and he wanted to use it, I think. Because when I do a lookup, he only owns two domain names in his personal portfolio. So...

Noah: Dude's good, man. Dude's good.

Michael: Yeah, all right so...

Noah: So we got introduced to a few of these domain brokers. They didn't really move the needle very much. They kind of like, they told me how much the pricing was, or how much we should offer. And this is mostly in 2012, so a little bit around two years later. They haven't really responded. Then we finally got their, not the main dude, but the second dude, on the line. Not his dude, but his like right hand man. He finally responded like a month later.

Michael: Gotcha, and it doesn't sound like he was interested?

Noah: So we got on the phone. Indians are very nice, like they'll never say no to you. So we got on the phone, talked, and he's like, "Make an offer that we can't refuse." He didn't say that. He's just like, "Make an offer," and he obviously said in a cooler accent. He said, what is an Indian Texan accent? "Sir, I don't want to do this..." All right, no. He said...we offered him \$200,000 in 2012, \$10,000 in cash payable over 10 years, and \$10,000 equity vesting over 2 years.

Michael: So you offered him \$200,000, but over 10 years, and then...

Noah: \$100,000 in 10 years, and then \$100,000 in equity.

Michael: Oh okay, gotcha. All right, so I can understand like, you know, I don't know if you're gonna make it in your company, but that didn't move the needle for him.

Noah: Yeah, and he literally like...they kind of stopped responding. I mean, I literally would email them every month. Not every month, probably every three to six months give or take. Then I had Rob, who's awesome, help me out emailing them. And then they just stopped responding. Like it was very frustrating to try to work with these guys.

Michael: Yeah, so then how did you reignite the conversation with them to potentially sell the domain name?

Noah: I told them we don't want it anymore.

Michael: Seriously?

Noah: Well, that didn't actually reignite it. So here's the email. I'll send it to you. I said, this is in November 13th of 2015. I said, "Hey guys, we offered you the \$500,000, and then you guys didn't really accept the deal. My deadline to close it passed. So we're gonna walk away from the domain, and we actually bought sumos.com, S-U-M-O-S, for like \$3,000.

Michael: Yeah.

Noah: And Rob was great. Rob was always like, "Dude, there's so many other domains out there for like \$100,000. Just buy the other domains." And I think there's a bigger life lesson in general about like what do you really want. And when you really want something, there's just not a price. And you just have to figure out creatively how do you eventually get it? Because at one point in our whole negotiation with these guys, they were like, "We want \$10 million." Like Dr. Evil, "\$10 million." I was like, "All right, now you can literally F yourself. Because if you can get \$10 million, like I'll come work for you."

But yeah in 2015, we said we're gonna pass. And this is between us emailing them. We had people create fake emails to get them to respond to offers because they were kind of not responsive, and that was a challenge.

Michael: Yeah.

Noah: Frankly, during this period, I actually, before we passed on it, I actually offered to fly out there. Because I was like, "Dude, if you need me to get..." Well think about it. I really wanted the --- damned domain at this point. So I said, "F--- it, I'll fly out there." They're like, "We don't recommend you doing that." And I was like, "Can I have a meeting with the guy who makes the decision? Because if I can't I'll fly out there."

Michael: So sorry, I was making another note of where we are in this interview so I can bleep that one as well.

Noah: Which one? That part where I said good luck?

Michael: No, you said F it. So why was it so important to you to save like three letters off the domain name? Or if you had sumos.com, to shave one letter off the domain name? Why was it so important?

Noah: All right, what kind of car do you drive, Mr. Michael? What kind of car you drive?

Michael: I've got a Highlander.

Noah: You got a Highlander. And do have a nice Highlander or a poor Highlander?

Michael: I've got a medium Highlander. It's a few years old.

Noah: Right. How you dress and what you drive says a lot about you, I reckon. So if you got Sumo.com, you are putting your foot in that ground that this brand is serious, that you are representing...because think about it when you see like a nice car, right? You're like, when you see a Ferrari, you're like, "That's a Ferrari." Or you see like, I'm borrowing my friend's Porsche GT3. Thanks Sujin. Ha, ha, I've been drinking and driving. Just kidding, I don't drink.

So it says something about the company, right? It signifies status that people you're gonna be around, right, versus like emailoptinmonster or something. You know, I'm not picking on one of our competitors, but it's like, you know, versus Sumo.com? That's a brand that you're gonna say like, "What is that? These guys are serious about it." It's like why people put the sticker "As seen on TV." It's the same reason people pay Shaq to be on the General commercials, which I don't know why he's doing the General commercial. That's a whole other story.

So number one, I wanted it because it represented something that we worked on for a long time. Number two, it signifies a status, like we're here to

stay. Number three, when you actually tell people, I'll tell you why. If I had to pull it down to one reason why, it's because when I tell people Sumo.com, they're like, "Damn, how'd you get that?" And that is something that people are gonna be like, "Oh well, what's the service? I'm gonna take it seriously." And name one large company, I challenge you, challenge Michael, I gotta drawl. So you wanna do a duel, I will get my pistol, my revolver. Name one large company that doesn't own the main brand name. Name one. Anyone out there in the earlobe land, in my lobians, go listen to the podcast. I was gonna go do a pitch. Go listen to Noah Kagan's podcast. That's good. But name one major brand that doesn't own their brand, the main brand?

Slack used to start, this is the thing, everyone forgets. Minds are a tricky thing, my friend, and drugs do not help them. But Slack used to be SlackHQ.com. Dropbox used to be GetDropbox.com. Facebook used to be TheFacebook.com. Only a few of the major companies, Microsoft and Dell that were rich before it started, but any major company that wants to be major owns their brand. So just some food for thought.

Michael: Yeah definitely.

Noah: So when I would tell people, "Hey we own Sumo.com," I distinctly remember this. I finally got it. And two stories. I was telling someone on the phone, they're like, "Hey, where should I email you?" I'm like, "Email me noah@sumo.com." And they're like, "Oh okay, I'll email you." And then before it'd be like, "Hey email me noah@sumome.com." They're like sumumah? Sumome? I'm like, "SumoMe.com." And they're like, "I don't get it."

And so I will tell you...and then you know, the other story is like when I'm talking to people, they're like, "Damn, you guys own that." Like during lunch today, and he's like...the second question which is really interesting. Every time I say we own Sumo.com, the first thing they say is, "How much?" I'm glad my second wife does not ask that question. But yeah, it's been interested.

So I'd say like in terms of overall aspects of why did I want it so badly, no major companies without that, brand is really important. It's a status. It's a signal to other people of like seriousness, of quality, of value, because we're putting a lot of money into a name, that must be the product is good too. Secondly, recruiting is kind of a thing that people don't talk about. Like if you're telling your grandma, or mom, or a friend to come work at a company, it's one thing to be like, "Hey yeah, do you wanna come work at like, I don't know, KiteTrend, or TieZen, or like AppTaco.com?" You're like, "Ma, we're gonna have apptaco.com. Oh wow, you guys must are gonna fail. Like I'll save your bedroom." But when you say, "I work at Sumo.com," they're like, "Oh, what's that?"

Michael: Right.

Noah: Right, it's a serious thing. So for recruiting, it actually helps really significantly. Lastly, so I'd say number one brand, number two recruiting, and lastly, there's actually probably...now we started it, I would say, but now we probably have about 30 competitors that have "sumo" in it, or 30 similar companies are relative...not even similar, but there's 30 companies or more that have the word "sumo" in it.

Michael: Wow.

Noah: And so on one hand, I was like, "Man, if someone else got that domain, I'd be f---ing pissed." Ah, damn it.

Michael: It's okay.

Noah: 36:54. You know, it's gonna funny. There's gonna be like...can we just do a whole minute where I swear?

Michael: We can pack it all in if you want. You ready?

Noah: Yeah.

Michael: Ready, go.

Noah: -----

--. All right. So it's done.

Michael: All right, you got it out of your system.

Noah: I got it all out of me. I'm done.

Michael: All right, so 2011 you reached out. 2012, you made the \$200,000 offer.

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Michael: All right, so 2011 you reached out. 2012, you made the \$200,000 offer. In the middle there, it came up to \$500,000. He came in at \$10 million. And then how did you get to one and a half million?

Noah: So I finally got, they passed me off to another guy. So I had other brokers trying to negotiate with them to see if they're actually gonna accept the half a mil. And what you have to realize is that they have no...they spend \$10 a year renewing. What's their motivation to sell it? And there's a bunch of other Sumo companies.

So finishing that last story up, there's bunch of other Sumo companies. So one, would you be pissed if someone else got your name brand?

Michael: Totally.

Noah: And two, there's so much confusion. Oh, you guys are Sumo? Are you this company? No, we are Sumo.com. We're the definitive one. I was concerned. Candidly, I will tell you I was concerned because mobile's getting bigger, and on mobile, you don't care about a domain name, right, which is something I'm a little bit aware of, but I'm not...it was still worth it.

So there's no motivation for them to sell. They're like, "Why don't we just hold it forever," right? So that was why I was like...I finally got another guy on the phone from them last year. And he's like, you know, "Make an offer that we'll be interested in." And I was like, "All right." And I was like, "Well give me a range because, you know, I've offered you a lot, and you're not really doing anything. You know, what can you do with it?" And he's like, "Well if you could do \$10 million, we'll sell it to you."

By the way, just a quick caveat too, if your company, if people are having a hard time saying your company name, that's a bad problem. Like a lot of people would call us SumoMe, Sumo.me. Or Sumo.com, or SumoMe..com or whatever. And so it was actually confusing. Like I'm looking at some of my older emails, people would be like, "Oh, you guys are Sumo.me. Or no, you guys are Sumo.com." And I'm like, "We're SumoMe.com." And we actually didn't choose, that wasn't our first choice for that domain. We went through a bunch of iterations, and eventually we're like, "We gotta choose something." So SumoMe.

Michael: Yeah.

Noah: And I love Rob. Rob kept discouraging me from actually buying the domain. He's like "Dude, just change your name to Pirate.com." No, he sent me names. He's like, "Dude, for \$100,000, there's so any other names you could be getting and not be a dumb---."

Michael: Yeah, so why didn't you?

Noah: Why didn't I? Because I didn't know how much they'd actually sell it for. And I think we built so much brand equity...

Michael: Equity around the Sumo...

Noah: Yeah, and it's a distinct thing. I think what happens with a lot of brand is like there's a symbol or a person related to the brand. And that's so valuable that I can't imagine something else that people would associate us with, that we've been building for six, seven years. If I had to do it all over, I'd probably figure out...like my buddy was smart. He bought like a four letter domain, MUSI, for like \$5,000. So I'd probably start simple, and try to find domain for like, you know, probably five figures or less. That is a little easier.

Michael: Make up a word that's short that people can pronounce.

Noah: Exactly, yeah. Noah.com, something like that. I've been trying to buy that one too.

Michael: Noah.com would be awesome.

Noah: Let's get it.

Michael: Except my son's named Noah, so if I get it, I'm totally not gonna give it to you.

Noah: How much would you pay? So I mean, this is very interesting questions. So for that kind of thing, how would you decide how much to pay for it?

Michael: So I would go and look up recent sales of first names of men, and find out what they're selling for. And that'll give you a ballpark. Like it'll tell you if it's a \$10,000 or a million dollar name, right? So there's your order of magnitude. And then you sort of have to look at it by character count as well because William may be more popular, but it's longer, so then how does that, you know, compare to Noah, which is shorter? And then you know, when it comes down to it, once you know an order of magnitude, then you can start negotiating, and how much do you wanna sell, and how much do you want it, right? Like at some point, it becomes a little bit of an ego play, like I really have to have my own name.

Noah: This, you're looking at ego. Man, look at an Eggo waffle. Put some syrup on that. Eat that for breakfast from peanut butter. Let me ask you though, do you believe, and we can keep going with the story, do you believe that the better deals are gonna happen off market or do they happen on market too? Meaning that do you get better deals if you hit up Noah.com person, and someone buys it from me, I would love it. I will give you my third wife. She was a great, she rode a horse like a woman. I don't even know what that means, ride a horse like a woman. She rode a horse like a pro. That sounds weird. That's too far. So off market or on market?

Michael: So on market means that it's actively for sale?

Noah: Yeah, versus like an off market deal?

Michael: So you know, if it's on the market, generally they actively want to sell it, and so they're willing to negotiate. The price that you see is usually not the price that you pay. If it's off the market, somebody may have owned it for like 20 years and they're like, "Yeah, I ran a business on it and it failed. And now I just wanna sell it because it just reminds me of my business." Or I, you know, "I need the money because my business failed," or whatever. Like if it's off

the market, you're gonna often get like a great price on it. But you need to reach out to them and start the conversation like you're doing. So when you reached out to them, and they said \$10 million, and you were at \$500,000, how did you bridge the...how did you connect the two?

Noah: Yeah, I'm looking through my chats. Man, I had so many people offered to help us buy the domain.

Michael: That's awesome.

Noah: Yeah, a lot of people...well a lot of people have tried to buy the domain. And then they stopped responding again. I'll tell you, persistence pays off, man. My friend sent this quote, and I wanna everyone to remember it. He's from Scott Bridden. And the quote is "Persistence beats resistance." And I just think that's so strong. Your kids can listen to that part. It's safe.

Michael: Yeah. You know, my mom watches the show as well. She's gonna be very happy that you're on.

Noah: Shalom, Eema.

Michael: Her name is Aura.

Noah: Aura, nayim maod. All right, then they finally get me in touch...so finally...I'm looking through it. Here's where it gets good. So in October...what month is number nine? September, we don't do months in cow country, sir. Believe me. In September, I was like, "Dude, I'm flying to Thailand. Let's just get on the phone and talk on WhatsApp with one of the guys." And so he's like, "Fine, I'll get you on the phone. Let's text on WhatsApp." And I was at a conference.

Michael: So you were just texting on WhatsApp?

Noah: Yeah, so one of the things I recommend people is if you're trying to negotiate with anyone, get it so it's real-time communication so you're not

waiting around for an email. Because you know when you see that email, and you're like, it's like calling a girl. I hope she calls me back. I guess I don't know if people call their girls anymore. That's old school, yeah. They like Snapchat it.

So I called and called, and I was like, "Just tell me an amount." And I was like, I was getting to a point where I'm like, "Yo, I'm pretty much done." Number one, it was like this is six years now that I was working on it. And number two, we had a profit last year, so we had a good year. And I was like I need to spend this money and have expenses. A domain is a good depreciating expense. That to me is an asset. Is it a depreciating asset? No, it doesn't depreciate as an asset.

Michael: You might get to write it off, but in this case, it's an asset that will likely increase in price, in value.

Noah: Yes. I don't know if it'll make us a lot more money, because I think there's ways of looking at speculations or domains in that way. I didn't. I just look it as a brand, like forever until I die, I will own this. And that to me was just something so strong, and I so associate it with it, that I was just like, to be able to say to someone, "Email me noah@sumo.com," I was just like, just so damn satisfying man.

So yeah, we got on the phone. And you know, I think that's true...there's a bigger theme here for everyone listening. Like what do you really want? Like this is kind of crazy, so where I live, you can see my place, I was looking at a place four down. It's \$820,000, 1000 square feet.

Michael: Wow.

Noah: And so I can literally buy two of them for...I can't sleep in Sumo.com, but I could sleep in two of these places. And you know what? I just couldn't bring myself to buy it. I was like, "I just don't care about this." But I really wanted the domain. And forever, I can use that domain.

Michael: Yeah.

Noah: So I got on the phone with Chiroria. Everyone there was very nice. The newspaper there is HindustanTimes.com. That's them. And they were always very friendly to me. I have nothing bad to say about them. And so I was like, "Look tell me your number." He said, "10 [million]." I was like, "Look, is it 10?" He's like, "Just give me your best final offer. I'll bring it to the board, and we'll make a decision."

So I went to my business partner. I was like, "Dude, we have a lot of money this year. How do we structure a creative deal where we can spend a lot of this money that's gonna go to taxes and that they're just gonna say yes?" So I went back to them November 21st [2016], and I said, "Look, this is a final offer. We're prepared to offer one and a half million dollars cash over 10 years. This offer is good for 72 hours." And he came back the next day and said...this is when...first ever, six years later, started getting interesting.

He said, "Dear Noah," and I was like thank you for saying dear. He said, "Can I modify your proposal to \$2 million? 50% at the time of signing and 50% over a period of five years." And he says, "I think if you modify your proposal, I would be able to sell it to my management." So that is the first time I was like, okay, I got something.

Michael: Now we're close.

Noah: Now we've got something. And so the point there is like you have to either get an amount or some leverage, right, some other thing that they may want. So one thing is that like you can't take without a give in a negotiation. So I couldn't come back to them and be like, "No, \$1.5 million, 10 years, that's it," if I'm expecting them to really change. Because he said, "If you modify it." So I'm like, "Let me modify." The one and a half was literally probably my breaking point. It was over one and a half, I would just start feeling like a dumb---. And my ego would be like, "Yeah, but you really overpaid for that."

And so I basically came back, talked to my business partner, Chad, who's amazing. And we were like let's offer the one and a half because that's our number. But let's go with the five year period." So we did a five year period, so this is creative, guys. And I'll tell you how to break it down so mentally because sometimes I think what happens is if you try to eat a whole burger in one bite, it's not possible. So mentally to be able to accept a deal of this magnitude, which is the largest amount of money I've ever spent, you have to do it in digestible pieces, and I'll get to that in a second.

So we came back to him. We said, "A million and a half, 50% up front, 50% over five years." And again, you have to give a timeline. So I said, "You must confirm, you need to confirm the agreement within 72 hours." So he said, "I'm gonna go bring them to the board."

So just a quick caveat and I think this is important for your audience, the reason the five year period made it easy for me is that I looked at our monthly revenue now, because SumoMe is a recurring product, I knew what my percentage of cost would be every month. So I'm like, "Well I know I'm gonna make, let's say, \$400,000 a month." And this is, you know, if it's only \$15,000 a month, that's less than 10%. So do I really care at that point? No. And then I even broke it down further. I said how much is it just for this month to own Sumo.com? Is it worth \$15,000? I was like hell yeah, it is. So to give up, you know, half a million or 750, whatever they wanted, I was like for \$15,000 a month, like after the 50's gone, it made it easier for me to process that as a percentage of my revenue.

Michael: Right, totally.

Noah: So they actually were like, cool, we'll do it. So they came back, what did he say? So then I sent him an email again. You have 24 hours left. And I sent him an email again, "where are you?" I sent him an email again.

Michael: Now this is on WhatsApp or this is on email?

Noah: This is on email. That's on email. So then he stopped...then they kind of stopped responding a little bit because I was...dude, I'll tell you. If you want something, this is what I'm saying. Like people really want it, you will not stop, and do not stop ever. So I gave him a final deadline on, and I was close to walking away at this point because I was like...so 11/28, I'm like, "Dude, you have 24 hours." So he got back to me and he said, "We'll do the million and a half, 65% up front, and 35% over 5 years."

And this is where I actually started getting a little strategic. And I don't mind telling him this because I mean, they made a 10X return. I'm sure they're like, "Stupid white people," is what they're thinking. "We took advantage of the white man again. Ha, ha, got you." So I said, what is it, 40% up front. This is where...I don't know if it was intentional, and it's hard to remember exactly at the time. It's funny. I remember the old stuff, but not the new stuff. But then I started...because I know they agreed to the million and a half. So then I started changing the percentage stuff because I knew they were down with the million and a half.

So now here's what happened. They're already like...and look, I could still be a dumb--- in 10 years. I could be a dumb--- today. But in 10 years, they're like, "Yo, you wasted all that money. You're still stupid." But I knew that once the million and a half, they already started visualizing that money.

Michael: Right.

Noah: They're like, "Oh, I'm gonna...a Porsche, Ferrari, we've beaten America again." You know, like love live India. Them cowboys are dumb----. I didn't say S word, I says shush. That one you don't have to bleep out. So because I knew that they committed to the money, then I could say, "How much do I really wanna pay up front, and then the rest over five years?" And so it really just came back to what I was comfortable with. Like I looked at our bank balance, and I said, and I looked at our profit over the year, and I said, "I could pay half a million today, and the million over five years. And that's what I'll do." And they said, "That's okay, but how do we know you're gonna really pay the rest of the money once you have the domain?"

Michael: Yeah.

Noah: And so you know, everything in business is a problem, and there's a solution for everything. It's just how creative are you willing to be? And that's what most people aren't willing to do. They're not willing to be creative. And that's the reality of it. They're just like, "Oh, they don't wanna do it because I don't have a million dollars. I can't do it." I'm like, that, just give up. Just give up. Come work for someone.

Michael: Exactly.

Noah: So with them, they're like, "We don't like the \$500,000 up front," but I'm like, "Dude, it's 500, 750, it's no difference, and you still get over five years." The second thing was like, they're like, "How do we know you're gonna pay the million?" I said, "All right, two things. Number..." And you have to go over because sometimes...like they're giving a little bit, you have to give back in a negotiation. And for me, negotiation, I'm a very simple negotiator. I say I'm in the worst negotiator in the world. I give people what they want as long as I get what I want. And if I get it for a million and a half with \$500,000 today, everything else they can have whatever the ---- they want. Damn it.

Michael: It's okay.

Noah: I don't swear intentionally. It's not, and my mom...and send this to my mom, and she'll be like, "Noah, oy vey, sounds like a potty mouth, got a toilet?"

Michael: Yeah, no worries. She won't even hear it. It's gonna be stripped out.

Noah: All right, beep beep. Beep beep. So that's basically my logic. And with them, I said, "Look, your problem is you don't know about the million getting paid, so let's do two things in agreement. One, I'll create a separate bank account that you have access to within, I think it's like 10 days that you can audit it to see the amount so that you never have to worry if the amount's

gone or not. Number two, if we miss a payment within 14 days of an agreed upon date, you can legally take the domain back." So if we miss a payment, then we basically lose half a...And we actually kind of wanted that as insurance for ourselves, which sounds kind of counterintuitive, but if we ever were like, "Dude, we're broke," and we wanna stop paying, we just give the domain back and we lose half a mil. But it's already gone at this point.

Michael: Right.

Noah: So to them, that's their two major issues. Like do we have the money? Yeah. If we ever fail, will they get the domain back? Yeah. And we put it in New York, so it's a neutral state. It's not Texas, it's not India.

Michael: Gotcha.

Noah: So we paid a lawyer to draft the agreement. They had, literally it's crazy. Dude, their lawyer in India was the number one cyber-lawyer. I don't know if we call it cyber anymore.

Michael: IP lawyer.

Noah: IP, dude, they had the number one dude. I was like that's impressive.

Michael: That is impressive.

Noah: Yeah, I looked him up. He was on Wikipedia. He's that big. I was like, all right, you're like legit. We're good.

Michael: Dude, you're on Wikipedia. I read your profile before this interview.

Noah: Yeah, my mom wrote that.

Michael: Oh yay, mom.

Noah: My mom's good.

Michael: All right.

Noah: So yeah, he wrote that. We had a lawyer draft up an agreement. Their lawyer and our lawyer had a, you know, it actually wasn't that bad. There's some minor stuff, but nothing major. Signed it, and transferred it end of December. And then we're doing a big launch January 8th, which might be...is this gonna launch on that day or...

Michael: I won't launch until you give me the go.

Noah: If you can launch probably on the 8th or 9th, just double check with Zain.

Michael: Yeah, it was Wednesday, or Tuesday or Wednesday. I'll wait for the go. I don't wanna announce it before you get the domain name.

Noah: I'll add one other thing with that. I wasn't planning on doing a big launch, and I'm really glad that we are because it's a great opportunity to like get the name out there with a good story because one and a half sounds like a lot, maybe it's stupid, maybe it's not, but why not take advantage it to the full. I feel like that's like the Mark Cuban kind of way where it's like hey, you've done something. Like, there's Richard Branson, there's a story here, like people always wanna know the price. So why not make that a story and then people will go check out Sumo.com.

Michael: Yeah, so here the thing that a lot of entrepreneurs watching this have two word .com domain names, they're thinking like how do I know if the better name that I want is worth \$100,000 or one and a half million dollars? What's your advice to them? Like how did you determine the value of the domain name?

Noah: It was proportional to the money that we have in the bank. That's really what it came down to. So like when I first offered it, I offered \$50,000, and then a few years later as we made more money, I said 250,000. And then

two years ago and a little bit of last year, I was like, I think 650,000. And they're not selling it. They have no incentive. And I'm like trying to...and I actually offered...I had someone who...another broker offered a mil just to see if they would say yes, and they said no to him. And they don't know that's me. My broker had like a different IP from a different account. Like there's no association. And so I was like, "I want them to sell. I want this name." And it's proportional to how much we had in the bank.

Michael: Yeah.

Noah: I would discourage anyone from like spending too much time in this in the beginning. I wouldn't say hey, make sure that you have a product that people want. If it's a domain that's gonna be very hard to get, then I would probably avoid that and try to think of some other name.

Michael: Yeah.

Noah: Early on.

Michael: So one of the big sticking points sounds like continuity of conversation. You can't negotiate if the other side like doesn't respond back, doesn't respond back for a month. It's tough to keep your momentum going in the negotiation. So you got on to WhatsApp and you chatted a little bit back on there and tried to lock it in before you took it back to email. You started setting the timeline. You must respond in 72 hours or this offer is off the table. What if they would have waited longer than 72 hours? Would you have just walked away?

Noah: They did, no, they did.

Michael: They did.

Noah: Yeah, they responded later. The only one that was actually a hard deadline and I would've walked away legitimately...and the deadlines, I think, work in general. When I work with people, just in projects, I'm like, "Hey,

when's it gonna be done? What's the reasonable expectation?" Because it gives them some...it's clear, they need to be motivated to make the decision. The one that was actually hard, and I didn't mention this earlier, is that when we were doing the final purchase, I said, "If it's not purchased in our hands by the end of the year, we're not buying it." And I told him why because if you just say that, they're like we don't believe them. I said, and they didn't not believe me, but I said, "I'm not doing this. I'm not gonna be able to buy it because I need to be able to write it off in 2016."

Michael: Right.

Noah: So if I don't get it this year, I'm not gonna be able to do it. And then that's like, oh, I see why he's making that decision. So that actually probably...they didn't say it, but I'm guessing that motivated them to help close it this year.

Michael: Yeah, that makes sense. So you have a partner, which is one of the questions I was gonna ask you. Chad, what's Chad's last name?

Noah: Chad Boyda.

Michael: Boyda?

Noah: I'm trying to rename him to Chad Kagan. He doesn't like it though. I'm like Chad Kagan, it's got a nice ring to it.

Michael: So you came up to like \$500,000. What did Chad think when you came up that high? Was he like yeah that's cool, I trust you Noah? Or was he like you're one crazy you know what? Like...

Noah: No, Chad was all down for it.

Michael: Oh, he was?

Noah: Chad had no hesitation. He was like dude, this is a big...I think it was his mindset was bigger than mine even. He's like, "Dude, this is a big company. We're going big. We're taking it big. And let's get a big domain name to go along with that." And I definitely think that his support helped us make the decision. And I knew I wanted it...let me just give you two kind of interesting parallels. I knew I wanted it. Chad helped me, you know, confirm I wanted it. I made the purchase, and now I'm just as happy, if not happier, that I own it.

Now let me parallel that. I just leased a Jaguar F-type convertible. It's gorgeous, a really pretty car. Before I bought it, I was unhappy. Once I bought it, I was unhappy. And since I've had it, I've been unhappy with it. And it's an expensive car. It's like a \$75,000 car, which maybe for your listeners is a cheap car because you got them rich non-country folks out there, but out here in Texas, that is a very expensive...next to my truck, that is an expensive car. But I just never really wanted it. And so it wasn't even about the money. It was just like I didn't care. And so there's something there. The moral of the story, like you know, go for the things you really want. And the domain, and our brand, and our company more importantly, I really want to succeed. I want to go big, and I want to be large, and long term.

Michael: Yeah.

Noah: And this is a key part of that.

Michael: Yeah, so you've been redirecting Sumo.com to SumoMe.com I think for the past couple of days. You're big into marketing. You understand where traffic comes from and how to buy traffic cheap so you can make more money. Have you noticed any increase in traffic as a result of the domain name?

Noah: I recognize that my catch all email's getting a lot of spam. That's number one.

Michael: I bet.

Noah: No, everything's getting rebranded. So I would say what I'm really excited about is the rebranding launch. So what I would recommend anyone not doing out there, and the way we're looking at it, is...we have a company goal, and we have one goal for the year. But on this launch, we're like how many views can we get from it. And so we're trying to hit one million people finding out that we own Sumo.com. And so working backwards from that, so...and I'll just tell you some of the things we're gonna launch, because I think if anyone else buys a domain, I highly recommend doing a launch. Obviously, we're changing the name, the site from SumoMe.com to Sumo.com. Free marking tools for your website, go get it.

Number one, we're doing an infographic, which is kind of cool. So it's like the things you could've spent a million and a half dollars on. Right, because I think what happens with marketing is that people are too selfish. Like you do marketing that only you really care about, but not the reader. And guess who's more important? The reader.

Michael: Yeah.

Noah: So like what things you can buy because that's something that's sharable. Number two, we're doing a big blog post on entrepreneur.com. Number three, we're going out to any domain blogs. So I thought that was really interesting, going to domain blogs, like you and DNJournal are I think the only two that we reached out to to be like, "Hey, let's do an article together." And then we're gonna put actually ad dollars behind it, and I think we're gonna do some YouTube pre-rolls behind it as well.

Michael: Nice. Great marketing tactics for anybody that is looking to rebrand. So what about AppSumo.com? Is that gonna stay at AppSumo or is that gonna merge under?

Noah: We debated making it like App.Sumo.com, but I think for now, we're gonna keep that separate. It's just, their brand has been built pretty well on AppSumo.com. And then Sumo.com, SumoMe is really becoming Sumo.com,

which is our flagship product. And AppSumo is the Groupon for geeks. It kicks ass and those guys are amazing.

Michael: Yeah, gotcha. Any advice for other entrepreneurs that the right what...to determine the right time to upgrade their two word domain name to the single word domain name? Is it just based on cash in the bank?

Noah: I would say two things. I would say number one, do it when you're poor, right? Because when...so number one do it when you're poor. Number two, don't use your real name. Because I sent it from my real email, which was a dumb---- move, because you can then search me and be like, "Oh, you worked at Facebook, or oh, let me go find his website." Because it's like when anyone emails you, what's the first thing you do? You start stalking them. You're like...

Michael: Totally.

Noah: So they know you have money or your business is doing well...and I think the thing with that is like so start early and be creative. Like call them a lot of times, mail them a letter. Like a side story to this is I've been trying to buy Sumo.me for the past four years. And that guy, he's been avoiding me like hell. And now I'm just like, all right, too late for you. You could've made like 25K.

Michael: Right, yeah.

Noah: And then you know, maybe if I bought that, I wouldn't have bought Sumo.com. But I'm glad, you know, you gotta be even more creative. Like I called his business and then I kept calling his business until I got him on the phone. And if I really wanted, I probably would keep calling today. But we got Sumo.com. So yeah, I would say for anyone out there, don't use your real name. And then start it soon. Like if you are thinking about it, and you know...I think someone said this line. I thought this was really smart. You gotta act as if you're gonna be successful. And I think if you go into your business thinking it's not gonna do well, guess what? It's probably not gonna

do well. You gotta go visualize the success you want, and act as if it's going to be successful. And then you follow that path, there's a good chance your business is gonna be successful. So the domain is a sign of that.

Michael: Yeah, great advice. Before I ask you about OKDork and your new podcast, you mentioned one thing on mobile, people don't care about domain names. Why do you say that?

Noah: When you search the app store, you can call it whatever you want. So then the domain that it's actually hosted on is secondary. So I think there's a potential threat in the future where like a dot com is less valuable, especially with all these TLDs. At the same time, the way I kind of visualize it...so like that is my scare that people will just be like, "Oh, Sumo on the phone, that's what matters more." Especially now that 50% of usage of web is on the phone. But the way, the analogy I use is like Beverly Hills, Beverly Hills. You're not gonna be able to build more there. You're not gonna build less, and it's always gonna be valuable. And that is what a dot com is.

Is there gonna be like land, you know, like Venice? Did it used to be a piece of ----? Yeah, but not the dot IOs are pretty freaking...I didn't say the F word. That was good. Are pretty freaking good. And it's still expensive, you know, for a Sumo.io or whatever, but it's not Beverly Hills. I don't know why I chose Beverly Hills of all places. But it's just...

Michael: [singing]Beverly Hills[/singing].

Noah: No, but Beverly Hills, there's only one Beverly Hills. They're not gonna build more, and everyone knows it's expensive. So...

Michael: So back to your initial point, when you call and just like, email me noah@sumo.com, people are like, "Whoa, that's cool." It's like Beverly Hills, yeah.

Noah: It's like I'm driving this Porsche. I will tell you it's very interesting driving it. It's a \$140,000 car. And I will tell you, when you pull up in a nice car,

people pay attention. And it's really interesting. I like Mini-Coopers. I'm trying to buy a Miata for god sake. If you have a Miata for sale, just noah@sumo.com. So on the real though, when you pull up in the Porsche, people pay attention. And that's the same thing with a domain. I didn't really think about that, but yeah, I pull in this Porsche, people are taking photos.

I actually had this creative idea that if...and I think you should always think about this. If you're ever worried about spending a lot of money, think about is there any other way to make that money back. So I actually thought if we ever got screwed or something bad happened, I could always start like an email company where you can get your at Sumo.com. And I'm like dude, there's a bunch of Japanese and Sumo fans that would pay \$5 for a domain, you know, for their name at Sumo.com.

Michael: Totally. All right, let me ask you about your new podcast at OKDork.com. I've listened to all of them. I binged on them before I got on the show with you because I didn't even know you had it, and your marketing director, Zain, told me about it. I'm like, "All right, I'm gonna check him out." I got to learn a little bit more about Noah, more than just what Andrew got out of you on Mixergy. You've had guests on, Jason Freed, Tim Ferris, you do a killer Arnold Schwarzenegger impression.

Noah: Get to the chopper. Get to the chopper. That wasn't that good. Get to the chopper.

Michael: Well let me ask you, why did you wanna start your own podcast?

Noah: Because I didn't have a lot of love when I was a kid. My father left the range and momma raised me by herself. It's a lonely summer, lonely winter. No, why did I do a podcast? Because it's what I wanted to do. That's the real answer. I wanted to do it for free. I don't give a ---, ah shoot. I don't shoot no one. I don't give a shoot if no one listened. It was a medium, and more, the higher level concept is I just like creating content. I think I have good conversations with people. I think I ask a lot of questions. People always say I'm asking questions, good questions. So I was like I just wanna record it and

share it because I'm interested in it. And I actually...one of the best things I've been doing that's a skill is starting to listen to my own shows again, and again, and again, to actually improve them. And I'm like, "Wow, these are actually not bad." I'm like enjoying it. I'm enjoying it. It's not bad and I don't mind my voice or any of it. And I'm excited to keep doing it, and I would do it for free.

So ultimately that's what it came down to at the end of the day. Podcast is just the medium. But it's like creating the content, putting it out there, and enjoying it, and that's what I've been exploring. So I've been really enjoying Noah Kagan Presents Podcast.

Michael: Yeah, it's awesome. Noah Kagan Presents Podcast, and people can get it on iTunes, NoahKaganPresents, or on Stitcher, or like I do, I like to download them. So I just go to OKDork.com, click on the podcast, and download them. Then I put it on my little Shuffle and I take them running with me.

Noah: Do you really?

Michael: I do. Like I don't wanna carry my iPhone on me. Like it's too big. You look kind of like a dork.

Noah: Well, OKDork.com, man. Well I was thinking though, wouldn't it be weird if I was on your back instead? Like I'm telling you the story. Hey there, Michael. I wanna tell you a story I reckon you ain't gonna believe.

Michael: If you wanna tape that promo, let me know. I'll fly out to Austin, you can get on my back. I'll run down the road and you can just whisper your podcast into my ear.

Noah: Well true story, I've been...it's not a story. But I've been debating creating an episode that's a workout episode. So you listen to it, it's gonna be like a 20 or 30 minute episode that's only for your workout. And like every minute I'm like, "You can do it, like one more." And there like, you know,

maybe there's some like beats like boom, boom, boom, boom, boom, boom, boom, boom, boom. And then like...I just think it would be a fun episode. And then when you wanna work out, you're like, "Let's put on that Noah."

Michael: Yeah, that'd be awesome.

Noah: Because I yell at people. I yell at people.

Michael: Do it.

Noah: Yeah, okay, I'm putting on my notes list.

Michael: All right, all right. If you have questions for Noah that I didn't ask that you wanna know, please post them in the comments below this video on DomainSherpa. I'll ask Noah to come back and answer as many as he can. If you found educational benefit from the show, if you learned something new, if you were just flat out entertained like I was by Noah, take 10 seconds to either post a comment below this video, write a comment on iTunes, sign up for his podcast on iTunes, Noah Kagan Presents, or send Noah a Tweet. He loves Tweets. NoahKagan, N-O-A-H-K-A-G-A-N.

Noah: Ze yofi. That was pretty. And then check out, de nada, and check out Sumo.com if you have a website and you wanna get that site to be a big --- Sumo.

Michael: Seriously, Sumo.com. Noah Kagan, thank you for coming on the DomainSherpa show, sharing your insights on marketing, on making the purchase, on negotiation, on your creative financing. Congratulations again on buying Sumo.com, and thanks for being a Domain Sherpa for others.

Noah: I reckon we are done here, sir.