

TRANSLATING RUSSIAN DOMAIN YIELDED \$61K GROSS PROFIT – WITH ROD ATKINSON



September 4, 2017
Episode 404



DOMAINSHERPA.COM

MICHAEL CYGER: Do you think it's too late for you to become a domain name investor because all the good domains are gone? Think again. On today's Profitable Flip show, an investor bought a domain that could benefit tens of companies, held it for a little over a year, and passively turned a \$711 investment into a \$62,000 sale. Stay tuned to hear all the details!

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MICHAEL CYGER: Hey, Sherpa Network. Thank you 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. This is the DomainSherpa show called Profitable Flips. In this series I invite

domain name investors to share all the details of how they bought low and sold high, and in doing so reveal some of the mystery around domain name investing. Today I'm pleased to welcome investor Rod Atkinson. Welcome, Rod.

ROD ATKINSON: Thank you so much, I appreciate the time you're giving me to tell my story here today.

MICHAEL: Well, it's great to have you. And I know you've been a longtime watcher of DomainSherpa.com, we chatted about that a little bit during the pre-interview, and I'm curious. For the people that have watched this show for such a long time, what's your favorite interview, or your favorite recent interview, of DomainSherpa?

ROD: My favorite interview, well, I really started watching around the time Ali Zandi starting doing interviews. I think I watched his first, and then he had already done his second interview. I was so intrigued by the first interview that I had to go and see his follow-up interview. And that really just, seeing him as somebody who had recently gotten into the domain industry rather than what the usual shows are where people who are more established and have, you know, a little more expendable funds and a little larger of a portfolio to start with, I related to that extremely well. So that was my favorite and I think that was my motivating interview.

MICHAEL: Yeah. Yeah, Ali does that, he's great at, you know, coming at it with new ideas. And, yeah, I have a lot of people that come on the show and talk about domain name investing, usually we start with like a profitable flip. And then if they do it for a year and they're successful, then I'll bring them on and we'll talk about strategies and tactics. And, yeah, I agree with you wholeheartedly, it's great to see newer investors coming into the industry making sales and, you know, putting money in their pocket or reinvesting it. Because we didn't all come into this game in 1995 or mid-'90s or when the Internet was starting and people didn't realize. So that motivated me about his show and others, as well. What did you do? You know, you actually went

out and did something after watching that show. What did you go out and do?

ROD: Yeah. The week I watched his show I had kind of... I'm a part-time investor, so I was working some pretty serious hours. I had started investing and starting researching and I had this moment of initial enthusiasm where I was spending a lot of hours, pretty much all of my waking hours when I wasn't at work, researching domains and buying domains and trying to sell. But I had kind of gotten really busy with work and I kind of neglected domaining for a while and I really hadn't gotten that kick in the pants to get back into it. So really seeing his enthusiasm in his approach and how he just went out and did it and got it and made sales happen, that kind of motivated me to say, "I can go and start doing that, too, and I can make kind of a change."

And one thing that it really did for me was before that week after watching that interview I think my highest sales maybe was \$600. I had under 100 domains, I had done some end user outreach on a few of those domains and I had had some good success with, you know, flipping registration fee domains. And most of them I had bought with GoDaddy coupon codes at the time, so they were like \$1 to \$6 at the most.

MICHAEL: Yeah.

ROD: And turning them into \$200, \$300, \$400, \$500. So I had made, at that time, maybe 15 or 20 sales, smaller sales, with a portfolio of about maybe 80-some domains. But I had gotten out of it for a while. And then I kind of, I guess, set a ceiling for myself in thinking that I've only paid \$1, or \$2, or \$3 for this domain, so I can just sell it for maybe \$500 max.

MICHAEL: Yeah.

ROD: So after that day I said, "Okay, I'm seeing, you know, all these four-figure, five-figure, you know, multi-thousand-dollar sales and the only thing

really that's different from the quality of some of the domains that I've, you know, researched and bought is the fact that I might have paid a little bit for them, but I feel that the end user on the other end might value it a little bit more than that."

So I said, "This week, this is going to be my breakthrough week where I get my first four-figure sale." I went and I started looking at some names in my portfolio that maybe were coming up to be expiring, so I'd have to pay the renewal fees. And I just decided I was going to e-mail maybe five or six of the best leads for each of those domains that I picked out that week. Did that over a couple of days. That week I did get bites on, I think, four domains. One of those a registration fee domain, I think I paid \$.99 for it, sold it for \$5,000. The next one, registration fee domain, I think I paid maybe \$2 for it, I sold it for \$3,500. Another registration fee domain I sold for around \$700 or \$800, I can't remember the exact number. There was another that I was trying to close that week, but it didn't end up closing until like a month later and I think I sold for \$1,200. But I made \$10,000 based upon my actions that week.

MICHAEL: That's phenomenal.

ROD: Yeah.

MICHAEL: What did your wife say about you, like, doing this outbound and selling \$10,000 worth of domains in like a month?

ROD: She loved it. And a matter of fact, I was over at my grandmother's house when somebody came back with an e-mail saying pretty much, "How much?," on the domain that I ended up selling for \$5,000. And I saw the e-mail address, it wasn't a person I had initially contacted, but it was someone from a Fortune 100 corporation and he had a three-character domain name. And I pretty much asked my wife, "What do you think?" And she said, "\$5,000," and I said, "\$5,000." So he said, "Okay, tell us how to proceed."

MICHAEL: Wow.

ROD: Yeah.

MICHAEL: That's fantastic.

ROD: Yeah.

MICHAEL: Man, oh man. So I feel like I've got like a ton of shows that I could do just with you, Rod, but we're going to get into like a single profitable flip, which wasn't any of those domain names.

ROD: No, no.

MICHAEL: But I think maybe I'm going to have you back on and we're going to talk about buying domain names for \$1 at GoDaddy using coupon codes, and then going out and marketing and selling those, one of those. You know, it sounds like you've got multiple stories in you, but let's get into today's profitable flip. What was the domain name that you sold?

ROD: The domain we're talking about today is Strahovka.com. And I'm not sure if I'm pronouncing it correctly because it is not an English language word, but I guess that is it.

MICHAEL: Let me spell it for the transcriber. Strahovka, S-T-R-A-H-O-V-K-A, .com. And on what date did you purchase the domain name and for how much?

ROD: I purchased July 1st of 2015 for \$711. And that was my, by far, highest purchase ever at that time. That was right after those sales that I was mentioning earlier. And I think I told you I'd never spent more than \$30 on a domain before that day.

MICHAEL: And on what date did you sell Strahovka.com and for how much?

ROD: I actually closed the sale, or got the final payment on that sale, on July 1st of 2017. And the total amount was \$62,000.

MICHAEL: \$62,000.

ROD: Yeah.

MICHAEL: So you held it for exactly two years from purchase date to closing date and you sold it for a profit of more than \$61,000.

ROD: Yes.

MICHAEL: Oh my gosh, at gross profit. Unbelievable.

ROD: Yeah.

MICHAEL: You know, anybody that's listening to this show is going to think like this is a lottery ticket, Strahovka.com. And I remember seeing it on DN Journal's list and I'm like, "What does that even mean?" So let's start from the beginning. How did you come across Strahovka.com?

ROD: Okay. Well, I had started using ExpiredDomains.net and kind of setting filters for not just keywords, but domains with certain extensions taken. So I noticed that this domain was expiring and it had many different extensions taken. And it was Dynadot, which I had started bidding on auctions pretty regularly there. So I looked at it and saw what the bid was up to. At the time I saw the domain it was up to a little over \$1,000. So I tried to figure out exactly what it meant, so I started doing a little research from there.

MICHAEL: So it was over \$1,000?

ROD: Yeah. At the time I believe... I'm sorry, not \$1,000, over \$100.

MICHAEL: Okay. All right. I was going to say, I'm like, "It was over \$1,000 but you bought it for \$700? This story is going to get interesting."

ROD: My mistake, sorry about that.

MICHAEL: No worries. Okay, so it was at Dynadot, it was over \$100, you saw it in multiple different extensions, which is one of the factors that you looked for, and you're like, "Some other investors clearly know about this domain name." So you monitored it. And what was your game plan during the auction? Were you going to show up right at the end and snipe it or did you actually put in a proxy bid?

ROD: Well, I did put in a proxy bid, but that was after I talked to someone on NamePros.com. There was a guy who I had started a conversation with before who happened to speak Russian and he had given me some advice on another domain that it expired and it had multiple extensions taken and it was a Russian word. And I ended up buying that one for registration fee, but I asked him because my research, it looked like this was a keyword that was in the insurance industry. And I used Google Translate on the pages, but I just wanted to make sure as to my investment.

So I talked to him and I asked him about the keyword and he told me, "Yes, this is one of several words that are used for insurance in Russia. It's not the only, you know, category-killer keyword, but it's one of those." So he said it would be worth bidding on if you can get it for, you know, under a couple thousand dollars. So I went ahead and I think I put in a proxy bid up to \$1,000 and just waited.

MICHAEL: Yeah. Were you nervous putting in a proxy bid of \$1,000?

ROD: Yes, I was. Because I was not out there yet spending a lot of money on domains, I was very conservative with my spending. So that was a big deal for me, that really was.

MICHAEL: Yeah. And so that's great. So oftentimes when I'm looking at domain names I go to some of my contacts on my Skype list and I'll ping...you know, I'm good friends with Andrew Rosener or, you know, Shane Cultra, who's a regular on DomainSherpa Review. I'll text him because he's not on Skype very much. And I'll ask, I'll get on a chat with them, I'll ask them what they think of domain names. You know, we all sort of need our own peer group or some peers to bounce ideas off of, and in this case he needed somebody who spoke Russian that could actually validate that it was a real word and not, like, you know, a word that was used by our grandparents or great-grandparents, for example, but not used in conversation today.

So how did you know that this person spoke Russian on NamePros? Like if I wanted to find somebody that speaks Mandarin or I wanted to find somebody that speak, you know, Slovakia, how did you go about finding this person who speaks Russian?

ROD: I made a thread, I just posted a thread, "Is there someone on NamePros that speaks Russian?" Because I had this other domain I was looking at purchasing and I just wanted to know what it meant and whether this item was popular in Russia or how popular it was becoming. So we started talking there, we had a lot in common and just kind of continued the conversation. I actually asked him to see if he could do some outreach to a few people on that first domain and he did. He wasn't successful, he did get some interest. But for his efforts I did send him a little money to compensate him for his time. And we just continued the friendship from there. So I knew I had to go back to him when I saw this other potential Russian name.

MICHAEL: Yeah. Well, that's fantastic. I hadn't even thought about starting a thread on NamePros looking for somebody that speaks a certain language. So usually I think about, like, a discussion thread has to involve a lot of people, but in this case you just posted that you're looking for somebody who speaks Russian, he responded back saying "yes," and like that was the end of the thread. You probably took it to private message at that point, right?

ROD: Definitely. Yes, yes, we did.

MICHAEL: Great tactic, love that. And so do you have a lot of people on NamePros that you interact with on a regular basis, would you say?

ROD: Not really, to tell you the truth. In my network of people that I communicate with it's pretty small. Again, I'm a part-time, so I really sometimes don't have the time for as much conversations about domaining and I haven't posted too often on NamePros lately because of life.

MICHAEL: Yeah.

ROD: But I do enjoy the chance to interact and, you know, just kind of strategize with people who are really smart and bright and really get it about domains because I learn a lot from them.

MICHAEL: Yeah, that's awesome. And I know that you can actually start a private message chat with more than one person. So, for example, if you wanted to have a private conversation with you and me and, like, the Russian, your friend who speaks Russian, we three could get on a private chat or discussion form and talk about domain names that maybe we're going to go in on together or, you know, just share ideas. So great idea.

All right, so Dynadot was where the auction was happening. You bid a proxy of up to \$1,000. Because clearly you thought that the domain name had a value higher than \$1,000 at that point in time. How much did you think the value of Strahovka.com was at that time?

ROD: I just knew it was related to the insurance industry. And even though it was probably geographically targeted to a certain region domain, insurance is money wherever you go. So I knew that the value had to be well more than \$1,000, especially with their being maybe a total of two or three keywords that most domains in that industry utilize in their actual domain name. And I

googled it, I saw probably 100 different companies that had "strahovka" somewhere in their name. You know, if it had hyphens or if it had other extensions or other characters or numbers, they had it in their name. And they were all related to the insurance industry, so I knew that I had something of value.

MICHAEL: All right, so that's the money tactic right there. You googled it, you saw hundreds of companies that use the generic word for insurance, Strahovka.com, in their domain name, you knew that some small percentage of them would want to shorten to a smaller domain name.

ROD: Absolutely.

MICHAEL: And when you did that research, one of the things that I may find, you know, and I didn't do this research myself, that would worry me is if all of those domains were "strahovka-" something or "strahovka" something or something "strahovka, but they were .ru for Russia. Did you find many that were .com or alternate extensions?

ROD: I found quite a few that were .com. And that was another concern I spoke to the friend on NamePros about because my understanding is .ru is the primary extension that many Russian businesses use. So this might be a circumstance where for some businesses .com could be a second option, or at least on the same level with .ru. So that kind of is something I considered in what I thought would be the value and the pricing, that there are alternatives and there are maybe other preferred extensions based on some of the geographical regions in that area. And that, you know, for example, Germans, they like hyphens in Germany.

So I didn't know too much about the culture and the business culture there, so I relied on that other individual to kind of direct me that this wasn't the one category-killer keyword, but it was one of the top keywords. And that .com might not necessarily be the first choice extension, but it is a top choice extension.

MICHAEL: Yeah, definitely. All right, so you won the auction at Dynadot. Which I should go check out, I never watch any auctions at Dynadot. I don't think I've even been on a domain at Dynadot, so I need to go check that out. And once you won the domain name, it was in your account at Dynadot, what's the first thing you did after taking possession of that domain name?

ROD: Okay. I think at that time I had signed up to kind of beta test Efty. I had been accepted to DomainNameSales's platform at the time and I was kind of just wanting to try out something different where I could have more ability to customize the landing pages. So I did the trial and the beta testing for Efty, so I think the first thing I did was add it to my Efty portfolio and set up a landing page. And then I also added it to Afternic and Sedo and GoDaddy Auctions, which is my normal course for my domains.

MICHAEL: So basically if anybody types in "Strahovka.com," it will show the landing page through the Efty platform. Full disclosure, I'm an investor in Efty. That says the domain name is for sale. But then if they went to Uniregistry or Sedo or Afternic and they were using a broker and they said, "I need a domain name for insurance. Here are the words for insurance, go see what's available," they would be in their database, as well, so brokers could find it.

ROD: Absolutely, you got to get those leads coming in however you can.

MICHAEL: Exactly. And so did you set a "buy it now" or "set minimum pricing" on any of those platforms, including Efty?

ROD: Not at first, because at that time I wasn't pricing any of my domains, even when I used the landing page. And Efty did not have the option yet, they didn't have the integration at that time with Escrow.com or any of the other "buy it now" services. So it was simply a "make offer" page.

MICHAEL: Makes sense.

ROD: Yeah.

MICHAEL: So how long did you own it before you received your first inquiry?

ROD: Okay. My first inquiry, that was actually my first inquiry, to tell you the truth. So that inquiry came in actual April of 2017. And at the time I had changed my landing page a bit, I had actually put some very customized language on the landing page. I had even done a Google Translate to Russian for some of the same keywords.

MICHAEL: Oh, interesting.

ROD: Yeah.

MICHAEL: Yeah.

ROD: And added that to the landing page. And then at that time I did have a "buy now" price, I decided for some reason. I still don't price my domains, but I did decide to price that one.

MICHAEL: Got you. And so you basically held this domain name from July 1st, 2015 until April 2017, a little bit more than a year and a quarter, and you didn't receive any inquiries on it at all?

ROD: No.

MICHAEL: Zero?

ROD: One of the reasons might be because with my Efty landing page, when they implemented this feature, I set a minimum offer price as well as a "buy now." So my minimum offer price was \$15,000.

MICHAEL: Okay. And what was your "buy it now" price?

ROD: \$82,000.

MICHAEL: \$82,000. So when you got the first inquiry through your Efty landing page, what was the offer?

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MICHAEL: So when you got the first inquiry through your Efty landing page, what was the offer?

ROD: The first offer \$15,500. Yeah.

MICHAEL: So did they go in and, like, you think they entered in a certain number and it said it's too low, and they entered in a higher number and it said it was too low, they finally entered in \$15,500 and it was above the minimum, and so it submitted to you?

ROD: Well, actually with Efty, when you set the minimum offer price, the form actually tells you what the minimum offer is. So it will say, where you can fill in, "Enter your price, \$15,000 minimum offer." So it should have been pretty easy for them to tell that they had to come a little bit over that number before I would even accept the offer, or receive the offer, yeah.

MICHAEL: And so a year and a quarter is a long time to wait for an offer to come in. Were you thinking that maybe this domain name doesn't have as much value as you anticipated?

ROD: To tell you the truth, no. I was pretty confident in it, based on the research. And I wasn't in a rush to sell it really because I don't, you know, have to pay bills off of my domain sales. It is part-time and it is an investment, and I was thinking long-term when I bought it that I was prepared to hold it for as long as it took for those offers to come in. So I didn't really worry about it. The main thing I was worried about was whether I was undervaluing it, to tell you the truth.

MICHAEL: Yeah. Nice. And so when that offer came in, do you remember where you were and what you were thinking?

ROD: I don't remember where I was when the first offer came in, I do remember where I was when I got the acceptance. The first offer I have no idea, I was probably home and maybe on the laptop when I first saw it, because usually I come home in the evenings. I'm focused on my job during the day, and then I start getting on the laptop and checking to see what e-mails came in and what messages came in when I get home. So I probably saw it. And, I mean, that's a good solid offer for a \$711-dollar domain, that's good.

MICHAEL: Yeah.

ROD: But in time I kind of had it in my mind that I wasn't going to take anything less than mid five figures. And it was hard because I had never had to turn down an offer that high at that point, but I definitely said, "This is"... What I said was pretty much \$15,000 as a minimum offer is kind of the negotiation or the start point to even begin discussions and kind of a qualifier of my leads rather than a point I'm willing to sell this domain. And I told them, again reiterated, what my "buy now" price is, at \$82,000, and that is more of my expectations for this domain and asked them if they could come closer to my expectations.

MICHAEL: Great. So that's pretty much what you said in the e-mail, right?

ROD: Yeah, that's pretty much the sum of it.

MICHAEL: I could see that exactly, almost word for word exactly how you described it based on just your reasoning, "\$15,000 is required in order to have a conversation with, I can tell that you're serious, but my expectation is closer to the 'buy it now' price." But you left it open that you're not saying, "That number or else," you know, "\$82,000 or no deal." You're saying, "I expect something a little bit higher." And how did they respond to that?

ROD: Actually it was funny because the next offer I received was through Sedo, and I received a \$15,500 offer through Sedo. And what I did was I countered with my \$82,000 plus the 20%, or 15%, or whatever the commission rate was, and left a note with that counter that, you know... Well, no, actually I didn't leave a note, I believe I just countered. And then what I did afterwards was I sent an e-mail back to that person I was already negotiating with letting them know that I received this offer, this similar offer, through Sedo and I could see that the offer was coming from Russia, as well, by the buyer information. So I figured it was them and I just indicated that I received this offer and that the best price would be had by negotiating directly with me because of the additional commission rate, which I included in my counter offer.

MICHAEL: Right.

ROD: So they said, "Okay, we're ready to negotiate direct."

MICHAEL: Yeah, you know, I always wonder why people do that. They'll submit an offer through Efty, and then they'll go to, like, a third-party and maybe they're familiar with Sedo because they do have a very international non-U.S.-based user base. But, yeah, you know, I think maybe I just need to think personally, just making a thought right now, that maybe on my Efty landing pages I'm going to put, "This form reaches the owner directly, you pay the lowest amount when you negotiate directly with the owner," or something to that effect. Because they probably don't know that this is going direct to the owner versus Sedo. And they don't know if there's any commissions, you know, through Sedo or not because they're not paying it, it's paid by the seller. So interesting analysis there.

So you wrote back to them, and did they write back to you and say, "Okay, I'll negotiate directly with you then"?

ROD: Yes, they did. And then I didn't hear back from them for, I believe, two days, so it was around April the 18th or 19th, I can't remember which day. And they came back with an offer of \$18,000.

MICHAEL: What did you think when they came back with, you know, \$18,000, \$2,500 more, when you said that it needs to be closer to \$82,000?

ROD: Yeah, I knew what they were doing and, I mean, I thought it was smart to do that, but I was going to stick to my guns and I was going to let them know, you know, "This is still way too far from my price expectations." And I believe at that time I kind of gave some explanation or justification as to why the domain should be valuable. I explained to them, you know, "This is kind of a category-defining term and it will boost the credibility of your business in the industry when people look for it and they see your domain name. It's something that, you know, is a one-time expense pretty much when you're

paying a nominal renewal fee to retain that. And it can do wonders for your marketing efforts and there's many competitors out there who would also like to have this domain. So I'm prepared to wait for the right offer." So what I said was, essentially, "I'm going to need you to come a lot closer to my price expectations."

MICHAEL: Yeah. Yeah, great way you phrased it right there. And how did they respond to that, Rod?

ROD: They came back with \$20,000. And, you know, I said, you know, pretty much...I said that I would be willing to kind of come down some from \$82,000. And this is a big jump coming from \$82,000 down to \$62,000." And I also told them that, you know, there are options as far as being able to make monthly installments that we can arrange through a third-party domain escrow service, so I gave them that option, as well. But I told them that, you know, "This is a significant move for me to come down this much and this is pretty much my price expectations at this point."

MICHAEL: Yeah. Well, and so that makes sense to take that step. If right before that step if they offered \$18,000, and then you came back and said, "Here are all the reasons why it's worth closer to what I'm saying," and then they came back with \$20,000, I'd be like, "We're too far off, I don't know why I'm wasting my time." Did you feel like that before you even replied back to them with the reduced price of \$62,000?

ROD: Not really, I felt like, "What do I have to lose here?" And I did want to get them up some more, even if we had to inch up, you know, by \$2,000-dollar increments or whatever it may be. I wanted to just get to a number that I was comfortable with. And I did have in mind a number that I felt that maybe once I hit this point I might consider it if all else fails, but I was pretty dug in with my number at that point.

MICHAEL: Good for you. And so you came back to them and you said, "\$62,000 is the lowest I can do."

ROD: Yeah.

MICHAEL: What happened with that?

ROD: They said, "Okay, your arguments are clear. I'm interested in hearing about the payment options and how to proceed."

MICHAEL: Wow. So they were really just trying to negotiate hardball with you by coming up by \$2,000 every time. And when you dug your heels in and said, "Here's the line that I will not cross," they said, "Okay, tell me about some payment options." So how did that work?

ROD: Okay. Really at the time the main option I was looking at was Escrow.com and that's where I really handle most of my transactions. But I believe that same week I had seen a post by Elliot Silver that Payoneer was starting to offer some domain holding service. So Efty had also, around that same week, started promotion, or around that same month, had started a promotion where there was no commissions on sales that were initiated through the Efty platform.

MICHAEL: Right.

ROD: So I reached out to Elliot and he had not had an experience yet with the domain holding service. It was very new at the time, but he had had a few transactions through Payoneer that had gone very smoothly, so he spoke very highly of them. So I actually reached out to Brandon Abbey, who was formerly of Escrow.com and was now working with Payoneer, to ask him some questions about the holding service and tell him I had, you know, a transaction that is a significant amount and, you know, it's a Russian buyer and just trying to make sure they could facilitate that transaction. So he told me to give him a call that next morning, so we spoke on the phone and he kind of walked me through it. And I felt pretty good about it, and good about

the fact that I wasn't going to pay a commission on it, as well, even though it was that high of a transaction. So I gave it a chance.

MICHAEL: That's fantastic. So at that point I believe that's when Efty.com had just integrated Payoneer Escrow into the platform. So because I'm an investor I know all the details. We allow PayPal for very small transactions where you trust the buyer, we allow Escrow.com, and then we had just integrated with Payoneer Escrow, so you can choose whatever you want. And Payoneer was very gracious in saying, "For anybody that does a deal in the first month after our integration we'll do your escrow for free." And so we promoted that and you were able to take advantage of it with this.

ROD: Yeah, absolutely. Yeah, absolutely.

MICHAEL: That's fantastic. Because usually the buyer of a domain name will pay for the escrow. So in this case you saved them a few hundred dollars.

ROD: Yeah.

MICHAEL: Nice. And so you spoke to Brandon Abbey at Payoneer Escrow, he set up the escrow holding. How long was the holding period?

ROD: Well, I went back and I kind of, once I had gotten my explanation from Brandon, I kind of went back to them and explained the process and how it would work. And Brandon had even sent me, I guess, some screenshots of how it would look in the back-end interface and told me how to sign up and how to start the process.

MICHAEL: Nice.

ROD: So I explained to them and they went and wanted to talk about how many payments they would need, and then they came back a couple of days later saying they only needed three payments.

MICHAEL: Okay.

ROD: Yeah.

MICHAEL: Great. Over what period of time? Was it like three payments over a year, three payments over three months? Roughly.

ROD: It was monthly, three months.

MICHAEL: Got you, great.

ROD: Yes.

MICHAEL: So they just needed to make sure that they had the cash flow probably to be able to do it. So before you set up the escrow payment system, did you use a buy-sale agreement at all?

ROD: No, there was actually one integrated into the Payoneer domain holding transaction platform where we actually signed, or electronically signed, an agreement, a holding agreement.

MICHAEL: Great. So you signed the domain holding agreement, they made the first payment, and then they completed... Did they complete the payments without any issue, without any hiccups?

ROD: The second payment was late. And that was because the person I was communicating with had gone on vacation and forgotten the timing of the payment. But they came back and they immediately initiated a wire transfer to Payoneer Escrow and it was cleared up that next week.

MICHAEL: That's great. Were you nervous when the payment didn't show up?

ROD: I was nervous when I wasn't getting a response for a few days, but I said, "I already have, you know, \$20,000. And if they default, I get the domain back." So yeah.

MICHAEL: Yeah, that is one of the great things about domain holding, that if there is a default and it's not cured, meaning they don't make the payment after their notified that it's late, the entire transaction is cancelled. You keep the domain name, it comes back to you rather than being held by the escrow company, and you keep any monies paid, as well. So that would have been, you know, yeah, you could have kept it for another couple of years, and then maybe sold it again.

ROD: Yeah, maybe for more. Who knows?

MICHAEL: So you went through Payoneer. Were you happy? Payoneer is a relatively new entrance into the escrow space, although they've been doing payments for many years. I believe they bought an escrow company and integrated it in. Were you happy with the way that the Payoneer Escrow system transacted the process?

ROD: I was extremely happy with the system, the layout, the workflow, and the information that was provided, both in the platform itself and from the customer service that I received from not just Brandon, but other representatives regarding instructing me on what was the next steps. So it went extremely smoothly, other than that late payment. I've done several transactions since then. They haven't been any more domain holding transactions since then, but I've done regular escrow transactions through them and it's been a great experience. I mean most of my transactions, to tell you the truth, especially when someone pays by credit card, have been same day completion.

MICHAEL: Wow.

ROD: Yeah.

MICHAEL: That's great. And so did they transfer the money, the final... Did they transfer all three payments at the very end or do they transfer the payments as they come in?

ROD: As they come in. So yeah, each month I got \$20,667 or whatever with each payment, yeah.

MICHAEL: Fantastic. So what did you do with the profits from this profitable flip sale?

ROD: I really reinvested a little bit into more domains. I didn't really change my strategy, but I did spend a little more on domains than I'm used to, I'm still very conservative in that regard. But I didn't splurge on anything, I really treat this as a business and something I want to grow. So I try to reinvest my profits. I don't want to eat my business, I want to feed by business as much as possible.

MICHAEL: Yeah. I know when I have a decent sale my wife wants to take a chunk of that and put it into, you know, our kids' school or retirement account or something like that. So subsequently I don't tell my wife about sales that happen.

ROD: Good strategy.

MICHAEL: I'm just joking if she's watching this, I tell her about all of them. But did you take some of it and set it aside for your retirement or did all of it sort of go back into your investment portfolio, whether it's cash or domain names, but you, like, have more, you know, ammunition going forward?

ROD: Well, I do have a separate business account separate from my regular account where I keep all of my domain profits and I just kind of use that to reinvest. So I have a savings as well as have a checking, but I just have it really in my account and I've just used a small portion of it.

MICHAEL: That's fantastic. And so today how many domain names do you have in your investing account, roughly?

ROD: Okay. I actually have now around 2,250. But I'll tell you it's a little inflated simply because I did in the last year decide to take advantage of some promotions that were going on with, like, .us and .co names and just buy a bunch of them extremely cheap and hold onto them and see how many sales I could generate. So I made my money back and then some and I've been pretty profitable with that, but I don't intend on renewing most of those. I'm going to drop most of those and I'll speculate again whenever I see certain sales in certain extensions that I understand.

MICHAEL: Yeah. So I believe .us had a \$1, or was it \$.50, promotion so you could pick up domain names?

ROD: It was \$.10 at Uniregistry at one point.

MICHAEL: Wow, \$.10.

ROD: I bought maybe 1,000 of those, to tell you the truth.

MICHAEL: Yeah, so you spent \$100 on 1,000 domain names. And did you do any outbound marketing on those or were you holding them and waiting for people to potentially come to you?

ROD: Holding. And I'll tell you with a week of buying those domains I sold a .us for \$1,500 through Sedo.

MICHAEL: Wow.

ROD: Yeah.

MICHAEL: That's awesome. So did that make you think, like, "Hey, I should go out and market these"?

ROD: I didn't have the time, to tell you the truth. And right now with the size of my portfolio and my work schedule I don't. So right now I'm more sitting and waiting and just having the landing pages and having them at all of the sales platforms to try to generate leads.

MICHAEL: Yeah.

ROD: I do plan on doing more marketing as time allows, and when I kind of trim my portfolio down a little bit more. Even though I do plan on growing my .coms, but I am, you know, speculating in some of those other extensions. But I'm going to get back to outreach because that's what really kind of let me take off to begin with, so I'm going to do it a little bit more. But I'm not, maybe, full-time outreach, just occasionally when I certain domains I think would go well.

MICHAEL: So I'm curious, what was that one .us domain name that you sold for \$1,500? Was it a single word, and acronym? What type of domain name was it?

ROD: It was a two-word domain name. And the company of the same name ended up buying it, and I don't really want to disclose that name.

MICHAEL: Sure, sure.

ROD: But, yeah, it was a company of the same name. I was kind of bulk registering, to tell you the truth, and I wasn't having the time to research trying to take advantage of the promotion, because I kind of caught it on the late end.

MICHAEL: Yeah.

ROD: Matter of fact, I think I was in the middle of registering and the price went up to \$.25 for a while. So, oh my gosh, it was breaking the bank. But, yeah, it came in pretty quickly and I've sold quite a few more. Not quite for that amount, but I've sold some as much as, you know, \$900 down to, maybe at the lowest, \$250. So I've sold maybe, of those .us domains, I want to say around 12.

MICHAEL: That's fantastic. And so of those domains, did you just go out and register... You know, clearly when you're buying that many in bulk, it's difficult to trademark-check them or search them, and it's almost impossible to see if there's any, you know, trademarks. You're just trying to buy generics and you're going out and registering them. And so in this case were you buying two-word domain names in .us of domains that just... What was your process? Did you just put together a whole bunch of words that made sense or that were business-related or in a specific niche? How did you go out and pick them?

ROD: ExpiredDomains.net, again, filters. Selecting English language, two-words, whatever amount of words. Some one-word short domains. I did try different filters. Taking in on certain other extensions, again, as I like to do, as well.

MICHAEL: Yeah.

ROD: And I tried to scan through lists quickly. Another thing I learned from Ali was how to scan through massive lists pretty quickly, and just through being able to have an eye to catch certain domains that stand out. And so I've developed that skill so I can get through them pretty quickly. And I just start starring certain domains on ExpiredDomains.net, and then go back to that watch list and started putting them into Uniregistry and registering them.

MICHAEL: Yeah. Fantastic. And so what types... You know, that's one tactic that you're doing to take advantage of those really cheap domain names and see, you know, for over the course of the first year if any of them sell, which it

sounds like you're in the positive cash flow basis on those. What types of domain names are you investing in where you will sit on them for a longer period of time?

ROD: For the most part I'm looking at combinations of keywords, maybe two words. I'm really not hung up on the length as much as whether or not it makes sense to me and I believe it would make sense to a business or to a marketing campaign if it's a common slogan, if it's a common pairing of words or a phrase or something that I think is going to emerge in a certain industry, I'll buy it. I don't really have a certain area where I'm concentrating.

But mostly I do have a few one-word. They're not the best words, but, because I've been kind of cheap with how much I'm willing to invest in a domain. But I do have a few of those, but really my thought process is always thinking about that end user. I'm not worried about what other domain investors are buying or what's the floor price for certain domain categories, I'm thinking about, "Do I think somebody is going to want this for their business?," how they're going to use it, what type of business it is, what's their industry, and whether having a certain domain would be valuable to their presence and to their bottom line and their ability to make money, as well. So that's how I look at it.

MICHAEL: Yeah. And that's a great perspective to have. In fact, you and I were chatting I think before we hit the "record" about the fact that that's how you got into domain names, because you were doing branding and marketing and you had a...I'm sorry, your wife had a client. Is that what it was, your wife had a client that wanted a domain name and you were going to help?

ROD: No, actually I had thought about it going into a little Internet-based services and [Inaudible 00:41:37] branding and marketing, I've had that thought. But my wife had an idea for actually a clothing line type of business and she had a domain idea. So her domain idea was taken and she really, really wanted that domain, but it happened to be at GoDaddy Auctions and I

ended up bidding on that and winning, and that's how I really discovered the domain aftermarket.

MICHAEL: Yeah, great. And so if someone wants to view your portfolio, Rod, and take a look at the domains that you have, maybe make you an offer on domain names, where could they go to take a look at your portfolio?

ROD: Well, I've linked my Efty portfolio to TruName.com. T-R-U-N-A-N-E.com. But my main website as far as my branding for my domain services and sales is YesNames, Y-E-S-N-A-N-E-S, .com. And my e-mail address is rod@YesNames.com.

MICHAEL: Excellent. So if somebody wants to connect up with you, chat with you about domain names, rod@YesNames.com. And if somebody is on NamePros and they want to connect with you, Rod, do you remember what your user name is on NamePros?

ROD: I think it's IndieGrind. Like "independent," kind of the abbreviation. I-N-D-I-E-G-R-I-N-D.

MICHAEL: Okay.

ROD: And that name comes from a website that I used to have, which was kind of an independent music website. So that was way back, I think when I was in college, and it was kind of the independent music and posting SoundClick links and all that stuff.

MICHAEL: Awesome. Yeah, now that you mention that, I'm like, "Oh yeah, I've seen 'IndieGrind.'" It's hard to put, you know, a user name or persona on NamePros to the real person, so I'm glad you mention that so I can connect with you and follow what you're doing on NamePros, as well.

So now that you've, you know, hit this relatively big sale, what's your next goal? Are you going to shoot for a six-figure domain name or are you still

shooting for five figures? How are you modifying your investment strategy going forward?

ROD: Well, I started with like a five-year plan, to tell you the truth, when I got into the domaining. And, you know, I have certain levels of domain sales that I want to accomplish every year, and I want it to kind of escalate the actual individual domain sale threshold that I reached. So I think I got a little ahead of myself with the five figures from my plan, but my next goal is six figures. And I do believe that there are domains that I have in my portfolio that potentially can reach that threshold.

So, yeah, I definitely want to keep... After I made my first four-figure sale it became regular. So this is my second five-figure sale, I want that to be a regular thing. And when I reach six figures, I want that to be a regular thing. So I'm going to keep reinvesting and upgrading my portfolio and the quality of domains that I have and trying to take advantage of opportunities that I see that other people might have missed.

MICHAEL: Yeah. I love that. And that's exactly the same thing that I did when I started, I, you know, bought domain names and I wanted to sell them for three figures, and then four figures, and then five figures, and moved my way up, exactly what you're doing. So if anybody, you know, is watching this show and they're like, "I like the way Rod did that," just remember he took baby steps to start with. You got to buy domain names, take advantage of sales that are out there, do your outbound marketing. And when you need some inspiration, come back and watch Rod's interview or watch Ali's interview.

If you've watched this show and you have questions that maybe I didn't ask Rod about, please post them in the comments below this video on DomainSherpa and I'll ask Rod to come back and answer as many as he can. If you found an educational benefit from this show, learned something new, or simply just inspired by Rod, please take 10 seconds to either post a comment below this video or press the Facebook "like" or click the Twitter button and share it with your network on Twitter.

Rod Atkinson, thanks for coming on the DomainSherpa show sharing all the details of your phenomenal profitable flip sale and thanks for being a DomainSherpa for others.

ROD: Thank you for having me, I really appreciate the opportunity.

MICHAEL: Thank you all for watching, we'll see you next time.