

### **Profitable Flips: From \$120 to \$10K in 27 Days - ITMagazine.com, With Shane Bellone**

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<http://www.domainsherpa.com/shane-bellone-itmagazine-interview/>

In this DomainSherpa Show, Profitable Flips, skilled domain name investors share all the details of how they bought low and sold high. On today's show, we are going to learn how a \$120 domain name sold for \$10,000 in less than 30 days. Stay tuned.

I have three sponsor messages before we get into today's show.

First, if you have a great domain name and nothing to show when people visit, you're missing out on potential advertising revenue, leads and partnership opportunities. NicheWebsites.com can build you a site quickly with a price option to suit any need — but as their tagline says, they don't just build websites, they build businesses. NicheWebsites.com.

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Michael Cyger: Hey everyone, 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 Domain Sherpa Show called Profitable Flips. In this show series, I invite domain name investors to share all the details of how they bought low and sold high, a methodology called value investing, where you

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buy assets that appear undervalued, but at a later date will be properly valued by the market.

Today I am pleased to welcome Shane Bellone from Connecticut. Welcome to the show, Shane.

Shane Bellone: Thanks for having me.

Michael: I read about one of your sales on the discussion forum called NamePros.com, a username, David Walker, posted about it, so I want to start the show with thanks to David for the lead and being able to invite you on to the show. Shane, what was the domain name that you recently sold?

Shane: It was ITMagazine.com.

Michael: ITMagazine. So, IT is an acronym for what?

Shane: Information technology.

Michael: Okay. So, pretty massive space, information technology, and then Magazine.com. How long ago was the sale?

Shane: It was in December actually.

Michael: Okay, so not too long ago when we are airing the show. And what was the final sales price of ITMagazine.com?

Shane: Ten thousand dollars.

Michael: And so, people want to know if you sold high. What did you buy it for? Was it actually low?

Shane: i actually bought it for 120 dollars.

Michael: 120 dollars.

Shane: Yes, sir.

Michael: I would say that is buying low. And so, from the point that you bought it for 120 dollars to the point that you sold it for ten thousand dollars, what was that timespan in between?

Shane: It was actually 27 days.

Michael: Wow, that is fantastic, Shane. So, this is the point in the show, Shane, where I am going to pause the story. Before I get into all the nitty-gritty of asking you where you found the domain name for such a great steal, why nobody else thought it was worth more, and how you were able to sell it, I would like to understand a little bit about the background of the guest. What do you do for a living, Shane?

Shane: I am actually a full-time student.

Michael: Excellent, out in Connecticut?

Shane: Correct, at Eastern Connecticut State University. And I invest in domains part-time, and it is proving profitable.

Michael: Excellent. And we had mentioned in the pre-interview call that I used to live in Ridgefield, Connecticut, not too far from where you are. And just before this, we had mentioned that that big winter storm that is going to pound the New England area is coming in, so hopefully we will wrap up this interview before the storm starts to hit in mass.

Shane: Hopefully. It has already started.

Michael: And how long have you been in investing? You mention that you are doing it part-time.

Shane: I started in 2012. I believe it was August, and I was learning the ropes for the first year, doing a lot of reading and bought some awful names like most people do. Luckily I only spent a couple hundred dollars learning what was bad, so my losses were low. Most of those names I immediately deleted once I did some more reading.

Michael: So, you did not even wait for them to expire. You actually clicked delete and got rid of them.

Shane: Yeah, they were bad.

Michael: That is awesome. All right, so 2012. You have not been doing it that long. Well, we will come back and we will visit a little bit more about maybe some of the tips that you have learned along the way, but in ITMagazine, I had noticed that you sold it on Flippa.com. Flippa.com is a marketplace for primarily websites, but they have recently been selling a lot of domain names on Flippa, and it is a different type of clientele that is on Flippa than, say, on GoDaddy Auctions or NameJet Auctions. Do you agree with that, Shane?

Shane: Definitely.

Michael: Okay. And so, when you posted it for sale on ITMagazine.com, did you think that the users of Flippa, people with accounts, thought it was a desirable domain name?

Shane: Honestly, I knew that Flippa is great for technology domains. I had no idea that they would respond to a magazine domain, because honestly the average the range for magazine domains are about five hundred dollars. The number one sale prior to this was YogaMagazine.com for ten thousand dollars.

Michael: How did you determine that the average range of magazine domain names was five hundred dollars?

Shane: I used NameBio.com and I flipped through it and noticed a trend.

Michael: Yeah, YogaMagazine had the top and there was not much below that, until you get to five hundred, and that is where most of them were.

Shane: Correct. I think the next highest was three thousand, maybe 35 hundred.

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Michael: So, an auction on Flippa, if you sign up for an account, is public domain basically. You can go in there and you can watch. You can look at the number of bids that are coming in. What you cannot see is how many people are interested in the domain name. It is what Flippa calls watchers of a domain name or a website, and you can click the watching button. Do you remember how many watchers were interested in ITMagazine.com?

Shane: Well, I went back to check, and I cannot give you an exact number because they have reset the number of watchers and views, but I remember it being over 140, which is pretty substantial for an auction like that.

Michael: Yeah, so I have no idea if that is a lot or not a lot. I know you have sold other domain names on Flippa. Is that the highest number of watchers you have had on a domain name?

Shane: It is.

Michael: Okay. And from talking to other people that use Flippa, is that one of the higher number of watched auctions that you know of?

Shane: Yes, it is. I mean there are a few exceptions to the rule. Some of the extraordinary domains you come by everybody watches just to see what the final sales price will be, but for an active auction it is pretty substantial.

Michael: And how many total bids and how many bidders did you have? Do you remember?

Shane: Not offhand. The number of bidders was somewhere between ten and 20. There was not all that many.

Michael: Yeah. So, when I went back and looked, I saw 86 bids from 17 bidders. I am not sure. Again, to your point, it seems like Flippa reset some of the numbers. Those look like they were the final numbers, so somewhere around that order of magnitude.

Shane: Correct. That sounds about right.

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Michael: And so, I want to know, before we even get into how you posted it and what you did, how did you find such a great domain name for only 120 dollars?

Shane: Well, I am actually an avid forum user. I spend a lot of time just browsing, and it is sometimes hard to navigate and find the gold among the garbage because nobody can really say there is not an overwhelming amount of bad domains on these forums. So, what had happened was I saw the thread on DNForum, advertising two magazine domains, and one of them was ITMagazine. So, I immediately messaged him, even though I assumed his asking price would be in the four-figure range. His previous post suggested that he was looking for a six-thousand-dollar buy it now.

That was over two or three posts over the years, and I messaged him anyway. Surprisingly, he got back to me with a 550-dollar asking price. I informed him that the average magazine domain sold for five hundred dollars, so I could not offer him that up. He replied back with a 380-dollar BIN. I asked if it received any traffic. He stated it did. In the same message, he said his final offer was 350 dollars. I replied back with a one-hundred-dollar offer, he came back at 150 and I raised my offer to 120. He accepted.

Michael: That is phenomenal, Shane. So, I love the fact that you took a domain name that was listed at six thousand dollars, down to five hundred dollars, just by talking about the data. Right? And did you actually even like pull out data from NameBio and then put it into an email and say here are the domains and the average asking price is five hundred? Did you just say that my research shows that the average magazine domain name gets five hundred?

Shane: I let him know that, according to NameBio, the average price was five hundred dollars. I am not sure if he verified that or if he just took my word for it.

Michael: Well, he probably did. I think most domain investors are data oriented. And when you have data right in front of you, it is hard to argue it. Yeah, you could do what a lot of the big-time investors do and say, "Well, whatever. That is my price. If you want it, you want it," but a lot of us are on

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these discussion forums because we need to move domain names because we have renewal fees and we do not often buy great domain names, so we might need the cash in order to pay for them.

Shane: Exactly.

Michael: So, that is a pretty phenomenal negotiation that you got there, Shane. When you said five hundred bucks, I was like: "How did Shane get it from five hundred dollars, down to 120?"

Shane: Yeah, it is a tactic I use a lot. I just look for motivated sellers. And sometimes it is hard to distinguish the difference, but you can tell by the response to your initial offers. I am a chronic low-ball. I will be the first to admit that.

Michael: So, how many low-ball offers do you think you put out for every one that you get like ITMagazine?

Shane: That is a hard question to answer. I have never really compiled a list, but I would say probably 30 percent of the time it works. The other 70 percent, people just laugh at you.

Michael: Wow.

Shane: But the fact is, when you buy low, you have more margin for profit. So, it just makes sense. Like you can go off, offering a one-thousand-dollar offer. That is fine and dandy. That is five hundred bucks you could have saved and potential have made.

Michael: And to be honest to the prior seller, you did not know that it was going to sell for what it sold for. What did you think that the market rate should be of ITMagazine?

Shane: My estimate was three thousand to five thousand dollars.

Michael: Wow, because you knew where you were going to market and you knew that it might go that high.

Shane: Yes.

Michael: Yes. And the previous owner did not know that Flippa was a good place to sell technology related domain names.

Shane: Evidently not.

Michael: Yeah, all right. So, after you bought it for 120 dollars, did you do anything with it? Did you park it to look at traffic, to look stats, or anything like that?

Shane: Yes, I parked it for two or three days, and I just wanted a rough estimate of numbers because I noticed on Flippa especially that those traffic stats are vital to an auction.

Michael: Interesting. I have never thought about that before. Cool. So, when you are entering the listing into Flippa for sale, there is a spot to put in number of visitors and number of page views?

Shane: Correct.

Michael: Okay. And even though you parked it and there is only one page that could be displayed, you still posted the numbers.

Shane: Correct.

Michael: And what was the general traffic on this domain?

Shane: About 150 per month.

Michael: 150 per month.

Shane: So, it was nothing substantial, but (Unclear 12:07.0).

Michael: So, basically every day you are getting about five visitors.

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Shane: Correct.

Michael: Okay, not bad. All right. So, people were typing in ITMagazine, thinking that there was something there, and you had to park it in order to get that statistic. What is your favorite parking platform that you use to gather data?

Shane: Right now I am actually using Rook Media. I would like to test out Fabulous, but no one has gotten back to me quite honestly.

Michael: Yeah, cool. I have not tried Rook Media, so that is nice. And did you make any money while it was parked for three days?

Shane: I did not.

Michael: Yeah, no. All right. So, you had mentioned that you sold it on Flippa and that you sold it there because you had realized that Flippa was a marketplace, where information technology (IT) related website and domain names would do better. How do you know that Flippa is a website that a name like ITMagazine would do better on?

Shane: Honestly I have been following Flippa for the entire three years that I have been in this business. I mean I would not necessarily say my first year was business, but for the entire time I have been domaining, I have followed it and I have noticed a huge trend in just technology domains. I mean I think it fits the user base because a lot of domainers in general are up to date in technology. It is just one of the things they follow. I mean that is not representative of everybody, but I think the vast majority does.

Michael: Yeah, definitely. And so, when you go to Flippa and you sign into your account, and if you do not have an account, you can sign up for free, and you want to list a domain name, what are the general fields that you need to populate in order to list it?

Shane: Well, first you enter the domain name. Following that, I believe it is - let's see. I am blanking out here.

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Michael: No worries. I did it earlier today. I saw there was like a tagline and then a description.

Shane: Correct.

Michael: The tagline, I guess, is a short version.

Shane: Yes, okay. So, there is a tagline, a summary, and then your description.

Michael: Oh, that is what it was. What is the difference between the tagline and the summary?

Shane: I think it is a place to just recap the entire description. For me, it is unnecessary. The tagline is sufficient to draw in users because that is what is seen on the front page, if you make it there, or from the domain drop-down menu. That is what all the users see, so you have got to make that compelling.

Michael: Yeah.

Shane: From what I noticed about the summary, you should knock off a few stats, something to drag them in to read your long description because a lot of users write long descriptions.

Michael: Yeah, I have read some real novels in the description field before.

Shane: It is true. People love to fill that up with data. I think that distracts from the actual auction personally. I try to keep it short and sweet, and show how this domain could possibly make money.

Michael: Yeah, okay. And I noticed that when I went through the process just to better understand it so I could ask you about it, you can set a domain auction for between three and 30 days in length. Do you remember how long you set your auction for?

Shane: I set mine for 30 days.

Michael: And why was that?

Shane: It gives you the maximum amount of exposure. I have found that the first seven days are critical because you want to get as many bids as possible to climb up to the most active page. Once you are on the most active page, it is essentially free advertising because that is where the majority of people go. They want to see what is trending, what people are interested in, and they bid accordingly.

Michael: So, the number of bids controls how active it is. What if your domain would have gone up to three thousand dollars with just one bid right off the bat? Would that take you to the most active or it is actually controlled by the number of bids, do you know?

Shane: It is controlled by the number of bids.

Michael: Okay. So, you want to get on to the most active because then more people will discover it when they click most active domain auctions.

Shane: Correct.

Michael: Got it. And you can list a domain name for nine dollars. That is the base fee.

Shane: Correct.

Michael: And then I believe they charge a success fee as well. Is that correct?

Shane: That is correct.

Michael: And it is ten percent. Is that right?

Shane: Ten percent.

Michael: And are you a super seller on Flippa?

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Shane: I just became one, yes.

Michael: Oh, congrats.

Shane: Thanks.

Michael: How do you become a super seller?

Shane: Well, it is about a succession of successful sales. Like seven days after I initially sold ITMagazine, I listed HackerMagazine.com. That sold for six thousand in four hours, unfortunately.

Michael: Did somebody click the buy it now button and buy it?

Shane: Correct.

Michael: Congrats.

Shane: Well, unfortunately, the buyer failed to pay.

Michael: Bummer.

Shane: Yeah.

Michael: All right, I am going to come back to HackerMagazine and ask you about that because I do not want the world to sound too rosy. It is like simple to buy low and sell high. It is not simple, right?

Shane: No, it is not.

Michael: Yeah. Okay, so you paid nine dollars for the domain listing, and then you pay a ten percent success fee if the domain does not sell. I.e., does not hit the reserve or a buyer backs out, for example. You do not pay that ten percent, but they do offer some upgrade options. I saw there is a premium option and an ultra premium option. The premium option is 249 dollars and the ultra premium is 349 dollars, and they give you extra visibility. Did you purchase either of those?

Shane: I did. I used the ultra premium one. It was 349 dollars, which put me at a total of 349 plus 120 is still nothing.

Michael: Well, plus nine dollars to list it.

Shane: The 349 includes the nine dollars.

Michael: Oh, okay, great. So, 349. When you got 120 bucks into the domain name, does that not make you think twice about promoting it for 349 dollars?

Shane: Initially I was hesitant, but I spoke with one of my friends, Ali, and he had mentioned you just have to believe in your names, and that really resonated with me. I was like: "All right, I will go for this. See what happens," and to my surprise, it worked.

Michael: Wow, yeah. And that is Ali (Unclear 19:06.2), who has been on the show in the past on a Domain Sherpa Review and he is going to be coming on the show in a couple of weeks as well to talk about Flippa in more detail and how to be an effective seller there. Shane, when you created this listing, did you put a reserve price, a minimum price that the auction must hit in order for you to sell it?

Shane: I did not.

Michael: You did not. So, whatever it sells for you were going to take.

Shane: Yes, that is correct.

Michael: Somebody could have bid one dollar and you could have been like out 349, plus your one dollar, plus another ten cents for their success fee.

Shane: Yes, that is correct. That actually goes back to my strategy of accumulating bids at the beginning. I find no reserves a little bit more effective to get you on to the most active page. Rarely do you see an auction with a reserve make it that far.

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Michael: Oh, that is interesting, okay. So, I would still be nervous that nobody would discover it and that it would not make it to the most active, and then it would sell for under its value. In this case, you got a great deal on it, but I do not know. Were you nervous?

Shane: I was anxious. I always get anxious during auctions, simply because I want to hit refresh 24/7.

Michael: Yeah.

Shane: That is a tough thing to overcome, especially when you first start selling. It is a rush though.

Michael: Yeah.

Shane: I must admit. Like you just watch it increase and you are just like: "Wow."

Michael: Yeah. All right, so I am going to ask you how it increased, but the one last thing I wanted to ask you about your listing was that the graphic associated with your auction was really cool. And I have actually taken a snapshot of the page. I am not sure if it is against Flippa rules, but I am going to post it below and hopefully they will be okay with it, because I like how you worded everything. I wanted to record it in time. The icon was a laptop on its side, and then this side of it was a magazine. So, it was sort of a laptop flowing into a magazine. It was really cool.

Shane: That is correct.

Michael: Did you create the graphic or pay for somebody to create the graphic for you?

Shane: Actually that was courtesy of Ali.

Michael: Ali created it for you for free, or you paid him for it?

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Shane: No, he created it for free. He wanted to help me out with my first no-reserve auction. Well, not my first, but the one I was really going for.

Michael: Wow, that was really nice of him.

Shane: It was.

Michael: How much would you expect to pay for a graphic that is that cool, that is representative of the domain name?

Shane: I would probably say somewhere between 30 and 50 dollars, depending on the length of time it takes someone to create it.

Michael: Yeah.

Shane: He just kind of hit the nail on the head the first time.

Michael: He did. Well, that was very nice of Ali, and that saved you in this first big auction of yours that you did not know how it was going to go.

Shane: Exactly.

Michael: So, how did the auction proceed over time? How long did it take you to get your first bid in, which you were clicking refresh on over and over again to see when it was going to come in I am sure?

Shane: Well, the first bid was pretty quick because it showed up on the first page. It started really strongly and almost immediately pushed me to the top of the most active page.

Michael: Oh, nice.

Shane: Yeah, there was a lull around the third week at 3,750 dollars, and that is actually when I began negotiating for the closing price.

Michael: Okay, so let me pause it there and ask you. You had the auction up. You said it lulled in three weeks after posting it.

Shane: About that, yeah.

Michael: About three weeks. Three weeks of the four-week timeline. At any point in the four weeks, in the 30 days that it was online in auction, did you do any outreach to end users, people that may want to make a business out of this domain name in the publishing space, for instance?

Shane: I am honestly terrible at outbound. It is just something that does not interest me. Auctions are way more exciting, so that is kind of the direction I am taking my business.

Michael: Got you. All right. So, even though you do not do outreach and you did not reach out to Computer World - I do not even know if Computer World is in print anymore - or any of those printed periodicals to ask them if they would want a generic category-killer domain name like ITMagazine, I did see you post the auction on NamePros in their marketplace, external sales and everything else sort of section, where you can announce auctions. Actually I saw you post it twice. Do you think that posting it on a discussion forum like NamePros helped in generating interest, watchers for it?

Shane: I actually posted it on both, NamePros and DNForum. I am not sure either of them tremendously impacted the sales price, mostly because resellers are not going to pay ten thousand dollars for a domain. Maybe five hundred to one thousand helped boost me a little bit. Beyond that, I do not think a reseller would have much upside.

Michael: Right. Yeah, good point. Today, when you are posting domain names on Flippa, a month later after the sale, are you still posting your domains for sale in DNForum and NamePros to generate reseller interest or have you stopped doing that tactic?

Shane: Normally I do. Lately I have not.

Michael: Okay. All right. And I noticed that you do not list a price because it is at auction. There is no reason to list a price. People can just click through and look at it, right?

Shane: Yeah, that is correct.

Michael: Okay. So, three weeks into the 30-day auction you said you hit a 3,750-dollar lull, meaning it hit that auction price and then there was not very much activity after that, so you started negotiations. What does that mean that you started to negotiate with buyers?

Shane: Well, I had two people reach out to me. Initially I started at 15 thousand dollars because why not. There was no real rhyme or reason to it.

Michael: So, they reached out to you how and what did they say to you?

Shane: You can private message someone through the Flippa system.

Michael: Okay.

Shane: And one being the buyer and another one being a separate party both asked me if I would put up a buy it now or a BIN. And I said, "I would consider 15 thousand dollars," and initially one of them said that was way too high. And I said, "All right, have fun bidding."

Michael: Which one said that that was too high? Was that the final buyer?

Shane: No, it was the second person.

Michael: The other one, okay. And what did the final buyer respond to you when you said 15 thousand, buy it now?

Shane: Well, he said he would offer five thousand dollars. I informed him that I previously had a higher off because I had a six-thousand-dollar offer right before that.

Michael: Oh, wow.

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Shane: That was actually a third person. I completely forgot about that for a second. I instructed him to place a bid and wished him luck. He literally responded with eight thousand dollars.

Michael: Eight thousand dollars. That is a pretty good offer, Shane.

Shane: It is. I, again, declined his offer and made another counter at 15 thousand dollars.

Michael: But you did not come down. He came up three thousand. You did not come down at all. Does that sound fair?

Shane: Life is not fair always. This is negotiating. You have got to stay firm.

Michael: All right, and what was his response to that?

Shane: Well, we had a little back and forth. He also literally said, "I do not get you, dude." And basically retorted with: "Well, make me another offer," and he came back with 9500 and he said, "Final offer. That is it." So, I asked him again if he could come up to ten thousand. He replied with 9,750 dollars. I was like all right, I will put a BIN up for ten thousand dollars. You can grab it or you can let it slip for 250 bucks. And then, five minutes later, he purchased it.

Michael: So, when I went back and looked at the bidding history of this, it says bidder one offered ten thousand dollars, but then there is some red writing that says that bidder one was suspended.

Shane: Yes, that is correct. That is actually the person who bought HackerMagazine within four hours because I tried to up-sell him after the ten-thousand-dollar sale.

Michael: Okay, after you said, "Ten thousand. Here is the buy it now," he clicked I will buy it or you responded back via private message (PM) that you will throw in this domain name if he bought it for ten thousand?

Shane: No, he bought it, and then, separately, I tried to sell him Hacker.

Michael: Oh, okay.

Shane: And we eventually reached the six-thousand-dollar sales price and he failed to pay, so he ultimately got suspended for that.

Quick break from three sponsors of today's show:

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Michael: So, this guy said he was going to buy ITMagazine.com for ten thousand, HackerMagazine for six thousand, failed to pay on both and got banned from the Flippa system.

Shane: No, he actually paid for ITMagazine. He failed to pay for HackerMagazine.

Michael: Boy, that is weird, right?

Shane: It is very weird because he actually listed his auction, which was making between 30 to 50 thousand dollars a month in AdSense revenue, and

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that never gained traction because he did not substantiate his statistics. I think he ran out of some money and was trying to sell his website for a good sum and then pay me, because I waited about three weeks for him to pay. I was like: "You know what. I will give this guy the benefit of the doubt. He just gave me ten grand."

Michael: Yeah, you waited three weeks on HackerMagazine.

Shane: Correct.

Michael: Yeah. Wow, that is weird. And usually when I hear people say that they make 30 to 50 thousand dollars a month on AdSense, I call BS because I know how crappy AdSense revenue is, but maybe.

Shane: Yeah, who knows?

Michael: I have seen stranger. Okay, so it actually did sell in negotiation because you set a buy it now price. I saw, in the comments, and there is a string of comments whenever people post publicly. They can ask a question. You can post an answer. You wrote at one point, "Would anyone be interested in a buy it now (BIN)?" Was that after these two private messages came in and said, "What is the buy it now price?"

Shane: That was prior to it. I was trying to spike some interest and get some conversations going.

Michael: Yeah, and did that work?

Shane: No.

Michael: I thought: "Oh, here is an interesting tactic. Maybe writing what you are thinking might be useful in generating more conversations and interest on the auction," but it was not useful.

Shane: No. The reason I did that was because the comments get sent to everybody's email and they can view them there, and I had a substantial number of watchers at that point, so I knew it would get blasted to

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everybody's email, but it really did not generate any interest. I found that there is a better strategy if you message the people, whoever has bid already, and ask them what are your development plans. What do you plan to do with the domain? Just start a conversation. And once you get an idea of what they want and how badly they want it, you can kind of initiate a negotiation or hopefully get them to make an offer first, because my domain sales strategy is purely based on someone else making the first offer.

I never want to say okay, I want ten thousand dollars for it, because then they come back with a lower offer and you are forced to come down. If they say five thousand dollars, you say ten thousand dollars and they are forced to come up. So, ultimately, you get more money for it in the long run, unless you can afford to turn down a 75-hundred-dollar offer because they will not come up another 25 hundred bucks.

Michael: What if they come in with a one-hundred-dollar first offer?

Shane: Funny enough I had a ten-dollar offer on GoDaddy Auctions and I turned it into a one-thousand-dollar sale.

Michael: Really?

Shane: So, I have a firm belief: never ignore anybody.

Michael: And Jeff Gabriel and Name Fest, who is the Vice President of Sales at DomainNameSales, Frank Schilling's organization, says the exact same thing, but I am just like a lot of other people. I have my entire investment portfolio listed on, say, Flippa Domains and I get these emails saying, "I will offer you one dollar for your domain name or ten dollars for your domain name." And I am like: "That is like a 50-thousand-dollar domain name. I do not think I could take that," but I have plenty of domain names that are not worth more than one hundred dollars, so maybe I should start negotiating.

Shane: Give it a shot. I was about to drop that name.

Michael: Yeah. All right, so that is a good tip. When I view your profile on Flippa, Shane, I see eight transactions totaling 17 to 18 thousand dollars.

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How important is it to having closed transactions and an amount of things sold to selling more domain names? Do you think it is useful or can I, with a brand new word underneath my name, just as effectively sell as you?

Shane: I do not think it is just as effective. I actually believe that the more sales you have, the more feedback you have received, the more likely you are to get a higher price for your domain or website. It is no different than being on DNForum or NamePros. I mean you need to establish some feedback. Otherwise, there is no trust, especially when you can. There are ways to get around the system if you really want to scam somebody, and it would tie up people's money for a long period of time, so I think there is a huge trust component.

Michael: Okay. Yeah, I could see that. It lends more credibility. Somebody looks at you as an expert, so if you are asking more, maybe it is worth that much because you have sold on Flippa before and you know the marketplace.

Shane: Exactly.

Michael: When you agreed with the buyer that it was going to be ten thousand dollars, how was the Flippa process for executing? Did you use their escrow service or did you use Escrow.com?

Shane: I used their escrow service. This was when it was still in BETA, and it was not fun. It has improved since, but at that time, it took six or seven days to hit their vault. And then, from there, it took probably another five days to hit my account. They have since improved, so I cannot knock Flippa for that. I had a buyer pay and two hours later it was in their vault.

Michael: Oh, wow.

Shane: So, it has improved substantially, but my initial impression was not good.

Michael: Yeah, and so now do you still use the Flippa escrow? I know they offer an option for Escrow.com as well, right?

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Shane: They do, but the Flippa escrow is actually built in now, so you cannot like un-click it.

Michael: Got you.

Shane: And buyers prefer that because it is free.

Michael: Oh, okay. I got it. All right.

Shane: You are kind of stuck.

Michael: You are sort of stuck, but at least it is getting better.

Shane: It is, thankfully.

Michael: Knowing what you know now, Shane, hindsight is always 20/20, was this an ideal transaction from a buy-sell perspective or would you have gone back and done anything differently anywhere from the point where you bought the domain name to the point where you sold it?

Shane: Well, now that I know I had two ten-thousand-dollar offers; ooh, I forgot to mention that actually.

Michael: What was that?

Shane: The person who initially said it was too high for them came back and gave me a backup offer of ten thousand dollars if the sale fell through.

Michael: So, you had put the ten-thousand-dollar buy it now price. Bidder number one clicked I will buy it. It was a closed transaction and you were funding, and then another bidder reached out to you via private messaging I guess.

Shane: Correct.

Michael: And said, "I have another ten-thousand-dollar offer if that one falls through."

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Shane: Exactly. So, I kept them up to date and he was great.

Michael: Yeah. So, do you think you could have played them off each other better somehow in order to get a higher bid?

Shane: I try not to think about it, but now that I know, I think the auction could have run a little bit higher.

Michael: Yeah.

Shane: It would have been interesting to watch two people duke it out, and the second thing I would have done differently is sold it for ten thousand and one dollars. I want to be number one in the magazine sale. Instead I am tied for first, so you live and you learn.

Michael: You live and you learn. What other domain names do you currently have for sale that are similar to ITMagazine in quality?

Shane: Well, I currently have two no-reserve auctions running. The domains are Tablets.org.

Michael: Oh, interesting.

Shane: And HackerMagazine.com that also comes with HackerMag.com, plus all the other top-level domains.

Michael: Wow, all right. HackerMagazine.com, which you had previously sold for six thousand dollars, but the buyer backed out.

Shane: Correct.

Michael: And then Tablets.org. Another great one. I know Tablets.com has been on the market for a while. Are you getting a lot of action on Tablets.org and HackerMagazine.com?

Shane: I am. There is, I believe, 70-something bids on Tablets.

Michael: Wow.

Shane: It is at 905 last I checked, but like I said, that is pushing me right up the most active page, so now I do not have to do any of the 49-dollar upgrades that gets you to the front page because I did that upfront and now I am reaping the rewards.

Michael: So, wait a second. So, on Tablets.org, you paid for the 249-upgraded option or the 349-upgraded option?

Shane: The 249.

Michael: The 249. So, you did not do the ultra premium. You just did the premium.

Shane: Correct.

Michael: But because it got so many bids to begin with, it bumped you up to the most active page, which is, I guess, one of the benefits you pay with the ultra premium listing.

Shane: Correct. I decided to try this one out and see if I had the same results because it is all about testing. I mean with Tablets.org that is a risk, but you have got to give it a shot.

Michael: Sure. Great. Well, I would love to know what you paid for Tablets.org and HackerMagazine.com, but I am actually going to wait until those close. One, because I do not want to jinx them and, two, because we know you probably bought them less than what you are selling for and people can come back and see if you are invited back again after those sales.

I did look at your listings on Flippa. I can click on your profile and then look at other listings and see what you have sold, and I did see that you sold SEMMagazine.com. SEM is an acronym for search engine marketing, an area that I like to specialize in and I have a portfolio of SEO-related domain

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names. I thought about buying that one from you, Shane. I saw it sold for 355 dollars. Were you happy with that sale?

Shane: No, I took a loss on it. I mean it was small, and that is the business. The key is to make more than you lose.

Michael: Yeah.

Shane: That is all I have learned.

Michael: So, you took a loss on the domain name from what it sold for to what you bought it for, or when you add in the upgraded things that you had, you took a loss, or both?

Shane: I did the 349 upgrade, which put me over the top.

Michael: Oh, all right. I also noticed another one. I am sorry to dig up all this trash, Shane. You sold Presidential-Campaign.com for 13 dollars.

Shane: Yes.

Michael: I think that was one of your earlier ones.

Shane: It actually was not that long ago. I accidentally won it. I was testing out Phoenix.com and I was looking out to see what this goes for. I figured there would be at least one bidder in it, because I like to track hyphenated domains because sometimes they sell for obnoxious amounts of money.

Michael: Yeah.

Shane: This one did not, and I ended up with it. So, I did not do any upgrades, paid the nine-dollar listing, made a whopping four dollars and celebrated.

Michael: Nice. Do you sell any domain names on any other marketplaces, or are you specializing on Flippa.com right now?

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Shane: I am trying to specialize on Flippa because it is a platform I am familiar with. I have noticed GoDaddy Auctions does extremely well for certain things and for some people. NameJet, for example, does great in three-letter .COMs. They go for wildly high prices, but I think there is a benefit to each one of the platforms. You have really got to target which one you want for that specific domain.

Michael: Yeah, great advice. Any final thoughts on Flippa or domain names? Any tips for users that are just getting started like you did back in 2012?

Shane: Read. There is a wealth of knowledge out there, and also do not get upset when your names are awful because they are going to be awful when you first start. And one other thing I would add in is do not go out and spend three thousand dollars when you are just starting. Four thousand dollars.

Michael: What would you set your cap at if you were just starting out?

Shane: Five hundred bucks.

Michael: Five hundred bucks.

Shane: You are most likely going to lose it. One of the things I had to learn is like personally, I do not hand register anything. It just does not work for me. Some people do great with it, but for me, I have always lost. But you go into the auctions. They can go for thousands of dollars, and if you do not know what you are doing and you buy Obscure-Auctions.net, you are not going to make any money.

Michael: Yeah, great tips. If you have follow-up questions for Shane that I did not ask him, please post them in the comments below this video and I will ask Shane to come back and answer as many as he can. Shane, I always encourage people watching shows like yours right now to get out from behind their computer, to reach out to other people, to go on to discussion forums, to interact, to learn. Business is done, I have found, through relationships. Clearly I reached out to you. I think you are heck of a nice guy.

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I am glad I know you now in the marketplace and I cannot wait to meet you in person at a conference in the future. Hopefully we will be funded by your sales this year, so you can go to conference, but the easiest way that I recommend to people to start making connections is to post a simple comment below a video. All you have to do is say thanks, Shane, or I appreciate you telling your story because of something, but the most important part is just reaching out and saying something to begin with. So, I am going to be the first to say thanks, Shane.

Shane Bellone, thanks for coming on the Domain Sherpa Show, sharing your story about a fantastic domain name flip, and thanks for being a Domain Sherpa for others.

Shane: Thank you very much, Michael.

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

**Watch the full video at:**

<http://www.domainsherpa.com/shane-bellone-itmagazine-interview/>