From College Student to $100K Per Year in Profit with Andrew Allemann

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Michael: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the Domain Name Authority. My goal is to interview a different domainer every week, find out how he or she built their business, learn about their experiences, learn about what worked, what didn't work, and take all of those ideas and tactics and hand them to you so that you can go out there and build an incredible domaining career yourself. Then you can come back here and do what today's guest is doing, teach others how you did it so that they can go out and build a successful career. So, let's get to the interview.

How do you build a domain name portfolio that will make you $100,000 per year in profit? Joining me today to answer this question is Andrew Allemann. Andrew has been in the domain name industry since 1997 and has been quoted in the New York Times, the Sydney Morning Herald, EWeek, and many other acclaimed papers and magazines. In addition to be the founder and editor at Domain Name Wire, since 2005, Andrew recently became Senior Vice President in charge of business development for Directi, the first ICANN accredited registrar of India. At Directi, Andrew works with their media businesses, including Media.net, Skenzo, and Big Jumbo.

First of all, welcome Andrew and thanks for doing the interview.

Andrew: Thank you for having me.

Michael: Let's start with a question that sort of sets the stage of your domaining background. How many domain names do you currently own, and roughly how do they break out by category?

Andrew: Just over 1,000. I think it's around 1,200 now. Category wise, I mean I guess there are a lot of different categories you can split domains by. It's primarily .com domains. I have a few, I'd say about 30% of the portfolio is some sort of play on local. A city name attached to something like an allergist or plumber, doctor, that sort of thing. Then the rest is really a pretty good mix across the board. Things I came across, topics I came across reading publications, just things I'm familiar with in general, and then there have been a couple of niches that I've attacked over time that we might discuss later. Some of them have been great niches. Some of them haven't worked out, at least as quickly as I thought they would.

Michael: All right. One of the most interesting bits of research that I ran across was a book called "The Domain Game," which many people in the domain name industry are familiar with. It was published back in 2008 by David Kesmodel. In it, you're quoted as saying that you own 100,000 domains in 2008 for which you earn $100,000 . . .

Andrew: 1,000.

Michael: 1,000 domain names.

Andrew: It's 1,000.

Michael: In 2008, you owned 1,000 domain names for which you earned $100,000 in profits. Was that true?

Andrew: Yeah, at the time it was, which is probably '07 when he interviewed me. The world has changed a lot in domain names. Back then, a lot of my money was coming in from domain parking which we've seen take a significant turn. It's probably fair to say too that from those domains it wasn't just revenue off of those. Some of them were built out and that sort of thing. The world has changed a lot since then, but yes, that was definitely true back then. I think there's just a shift in where people are earning revenue now from parking to different things.

Michael: I'm going to back to that $100,000 that you earned and how many domains that you built out and how you're shifting your portfolio now. But first, I want to give a little bit of background and learn a little bit more about you. From my research, I found out that you studied finance at the University of Texas at Austin. It was at the University of Texas that you first discovered domain names and the domain name industry. Could you tell us how that first happened?

Andrew: Yeah. I mean, basically I wanted to create a website, and the first step you have to take there is to get a domain name. So I learned, I was not a developer, I don't have a technical background at all, but I had a friend who was showing me how to create a basic website. I went out and registered a domain name through, at the time it was Network Solutions, for $70. Then from there, I kind of realized that, although I wasn't a techie, I had business foresight and could register domain names much better than I could develop the websites even though I was doing that at the same time.

Michael: Great, and do you remember the first domain you registered for that website?

Andrew: You know, I think at the time it was something related to, which at the time wasn't technically illegal, but online gambling, which since then they've clarified. But that was one the big areas back then. It just changed somewhat given the legal structure of it now. It was related to that. I only registered probably 30 or 40 during the rest of that decade, maybe more than that. But at 70 bucks a pop, as a college student, that added up in a hurry.

Michael: That's a lot of beer money.

Andrew: Yeah, exactly, exactly. I don't recall the exact first one, but there were a number back then, some of which I'm sure I hold now still.

Michael: That's too bad you don't remember that very first domain. Back in '97, it could have been OnlineGambling.com.

Andrew: You know, it's interesting, I feel like I missed the best opportunities. I'd say the best opportunities were from '94 to '96 and then 2001 to 2003 or 2004, and in both of those times I wasn't really as actively involved as I wish I was now. Unfortunately, names like that, at least it seemed like they were already taken.

Michael: All right. So you graduated from the University of Texas and you became a financial analyst at a company called Trilogy Software where you worked on doing software business development for DomainLeadership.com?

Andrew: Yeah. That was a domain that the company bought, and I'm kind of into human resources software type side. But I was working on a different project for them around aligning goals in a company. You have your top level goals – let's earn this much -- and then they go down the company, down to the very person at the bottom. What does this person have to do to make sure that goal happens? Everyone's coming in from their part, and it's just a huge challenge for companies especially because if you added up the goals of everyone on the bottom, they wouldn't equal the one on the top usually. We were tackling that. The dot com bust happened shortly thereafter. So, as a product, it never really came to be. I do have a patent on the methodology we came up with and such. But, yeah, that's what I was doing there. We did own Leadership.com. Gosh, I haven't looked at in ages. Maybe the company still owns it if the company's still there.

Michael: That would be a great one to grab on the drop, wouldn't it?

Andrew: Yeah, it would. It would.

Michael: Great and I do see your patent automated system and method for creating aligned goals. I know in any major corporation that's one of the biggest issues that human resources and a leadership team can face.

Andrew: Right, right.

Michael: So that's quite a great patent to have, I would think.

Andrew: Unfortunately, I guess I don't technically own it.

Michael: Well, you wrote it, right.

Andrew: I got my name on it.

Michael: Yeah. Then you left that position. You went to SBC Knowledge Ventures, which allowed you to do some technology commercialization. You actually got your hands a little bit more dirty and learned how to commercialize software and take other people's assets and . . .

Andrew: Exactly.

Michael: Can you tell us a little about that?

Andrew: Yeah. We were taking technology that had been built for internal use and commercializing it. Every year Fortune 500 spends billions of dollars solving that goals, HR problem for themselves, and then it only gets used at that company rather than being used by all the other companies. We were basically taking those technologies, finding software companies to turn them into real products, and then taking them to market.

Michael: Which then led right into your next position, you became president and CEO of Fluid Innovation, and currently I believe you're on the Board of Directors.

Andrew: Board of Directors, yes. That was a startup I started with actually one of my former colleagues from SBC. The company's still around today, I left it a few years ago. We were trying to do the same thing just for multiple companies rather than just one. Kind of mining the assets of multiple companies.

Michael: During all that time that you were with SBC Knowledge Ventures and Fluid Innovation, were you continuing to manage your domain portfolio and spending time sort of as a hobby?

Andrew: Yeah. So, I would say there was, as I mentioned I kind of missed the 2001 to 2004 window where people like Frank Schilling and a lot of others jumped in and saw the opportunity. I was saying, "Oh, the opportunity's gone." I'd seen in Austin everything had imploded and the dot com bubble, that sort of thing. When I was at SBC, I started getting back into domain names around '04 and started to get into creating websites, mass produced websites, back in the day and started to make a lot more money doing that than I was in my day job. Eventually I said, "What am I doing here?" I left the full time or the Fortune 500 world to go pursue that. That was kind of going on in the background there. When I started Fluid Innovation, I had been working on another business concept which turned into Internet REIT, or iREIT but decided not to do that and go down the technology commercialization path. I guess, it's probably about three years ago now I decided to focus full time on domain names. It's really, I guess, been a relatively short period of time that I've been full time on it.

Michael: Okay. I want to dig into a little bit about how you've worked more full time on domain names, but let me take you back to what you first mentioned there. In 2004, you almost went into business with Mark Ostrovsky, the serial entrepreneur famous for selling Business.com for $7.5 million.

Andrew: Right.

Michael: As well as Bob Martin, who I believe was an angel investor and friend of yours from the Austin area?

Andrew: Yeah, I knew Bob and he, I think it was maybe Christmas Eve of '04, he introduced me to Mark and we were sitting down at a Starbucks in Houston. I remember this because it actually started snowing outside which never happens in Houston. The months after that, I would travel down to Houston. We'd brainstorm ideas, the three of us, things to come up with. Went up to

New York for an SES Conference and met with some investors up there. At the end of it, we had bought the domain, Internet REIT or iREIT.com. I don't remember which one we had bought at that point. But just the three of us together, it wasn't quite what I was looking for. So I decided to bail out on that and go into the technology commercialization side. For a few years, I was kicking myself watching them raise all that money and stuff. Now, of course, it went south after that. So I guess I didn't' actually miss the boat. I learned a lot of lessons from that. When I decided not to do iREIT, I knew I did want to do something more in the domain industry though. So while I was kicking off the technology commercialization, I also started Domain Name Wire right about then, which is March of '05. That was basically at the exact point I decided not to do iREIT.

Michael: Tell us why you, what lessons learned from iREIT. What were some of the lessons learned? Oftentimes a domainer may interact with another domainer and they have some search engine optimization skills or some skills to build out websites. They know somebody else who has a fantastic, single word, generic domain name that they're looking for somebody to help build out. What lessons learned did you have from that iREIT situation that you might be able to pass along to somebody else?

Andrew: I think that was more . . . so it sounds like you're asking if you should enter into a business relationship with someone? I think it's more, in my case it was just personalities didn't fold and mix. If you don't feel comfortable from that standpoint, you just need to walk away. Once you get tied into someone financially, it can get messy if you don't have that good working relationship, if you don't feel comfortable with the people you're working with. You have to be able to trust people 100%. You have to feel comfortable working with them. In our case, the three of us together, it wasn't quite there. I could feel it wasn't there. So, Mark and Bob went off and started the company. They raised a lot of money. At first it was . . . well, raised a lot money. I think it was making a lot of money, and then things headed kind of quickly south there, as well, for a couple of reasons, many of them within their control and part outside. Obviously, the business that ultimately came to be was predicated on pay-per-click earnings from parked pages, which we all know what happened there. Then they made some decisions that landed them in legal hot water as well, which also were very harmful to the company.

Michael: Today iREIT is still around, isn't it?

Andrew: Technically it's still around. It's small, it's a shell. There are some people still there, basically with their portfolio, but it's certainly not what was envisioned by any means.

Michael: Right, sure. Then in 2005 or shortly thereafter, you started up DomainNameWire.com. What was the original vision for Domain Name Wire?

Andrew: There wasn't a huge vision. It was more there were no domain blogs at the time covering the business of domains. There were publications. There was DN Journal, which Ron Jackson was doing. At the time, and it's still somewhat the case, Ron made a smart move having been in broadcasting much of his life. He didn't want to get into the breaking news game. More of what he wrote about were the profiles which he does an excellent job on. He wasn't doing the breaking news type of thing. So I said, "Well, you know, I think there's a space here. No one's doing blogging about the business of domains or has a legal blog on it." I kind of went in. At first I didn't know what I was getting into. I just would do some short blog posts, and then it really just kind of grew from there. It turned into the point where when the market did start to crash on the domain parking side, my revenue and such went down from that, I had this other income source through advertising on the blog that picked up the slack, more than picked up the slack.

Michael: So you make a good living from just the advertising that's displayed on the blog?

Andrew: That's right. That's correct.

Michael: How many readers do you have per month and many page views do you display?

Andrew: Yeah, on site it's over 100,000 page views a month. Then there's the RSS. I do full RSS syndication. My estimate is that you get an extra few hundred thousand impressions through that for each story. Well, I mean overall when you add up all the stories and that sort of thing.

Michael: Right. Do you have any idea how many unique readers you have per month or how many subscribers?

Andrew: Yeah, on RSS, I started the blog before Google owned Feed Burner, so I don't use them for tracking. You can see in Google, I think I have 2,500 or 3,000 subscribers in Google, and then you add up all the other RSS readers. Unfortunately, RSS tracking is actually one of the areas that's still very difficult to get an accurate figure on.

Michael: It is.

Andrew: You've got Google Analytics to track everything on your website, but RSS, what's happening off your site is still very challenging.

Michael: Yeah, definitely. All right. Then I noticed in 2010, I believe, you started up a website called DNW, Certified Stats at DomainNameWireStats.com, DNWStats.com.

Andrew: Right.

Michael: Can you describe that offering?

Andrew: Yeah. So basically what it is, is a way to certify your stats with a particular parking company. Let's say you wanted to sell me a domain name and you said it's making $100 a month. I just have to trust you. We just met. You want a couple of thousand dollars for it. Am I just going to do that transaction? What I may have done previously is said, "Hey, would you send me a screen shot?" You'd log in and have to get a screen shot. It's a very laborious process plus then, I don't know if maybe you've doctored that, that sort of thing. What this does is allows you to create a certificate that goes in and grabs those stats automatically from the parking company and displays them. All you would have to do is say here's the domain, parking company, and date range. It would create a certificate, and then I could view that online. It's kind of certified, if you will, certified statistics.

Michael: By a third party, independent third party.

Andrew: Third party, independent, yeah.

Michael: Yeah. So that would tell the person who's interested in knowing that information how many unique people hit the website and then how much revenue it generated?

Andrew: Right. When you create the certificate, you select which stats you want to show. But at a baseline, you've got a date range, revenue number, views, and then there are other statistics based on the parking company that you can choose as well.

Michael: It varies by parking company, I take it?

Andrew: Yeah, each parking company has different stats as options. We try to make it flexible. People can use it in different ways. Certainly, I would never say, oh, just because this stat certificate says this domain makes 100, that it's going to make 100 in the future. If I park it with my company or a different parking company, that sort of thing, it's going to make that much. It's one more level of security you can bring to a domain name transaction. Before, it really wasn't there, and if you made it happen by taking a screen shot, that sort of thing, was just a pain. This is a lot easier.

Michael: How many people have used your service, roughly, since you started it up . . .

Andrew: Gosh, it's still there. It's still operating. We're still adding to it. It's taken a little bit of a back burner since I got involved in other stuff that we'll talk about. As of a few months ago, there were probably four or five hundred registered users, so it's probably much more than that now.

Michael: Now, do you actually have to create relationship with each of those parking companies in order to get access to the data?

Andrew: Not really. I made a decision early on that we wouldn't store any passwords, information like that. It's just a one time log in. We didn't, I didn't have to broach that. I know that there are a lot of other third-party services that don't as well.

Michael: We're going to talk in a little bit about Big Jumbo, which is a parking company, and I believe that Directi has another parking company that you work with. Do you consider DNWStats to be in conflict at all nowadays? Now that you've accepted this new position and you have access to potentially other people's parking statistics?

Andrew: I've always told people I won't look at the statistics, and frankly, I haven't looked at it in a long time.

Michael: So, it's an automated process basically?

Andrew: It's an automated process, yeah. I think people that know me trust me. I was worried, honestly, when I went to work for Directi that companies I blogged about wouldn't be comfortable anymore with me writing about the industry in general and writing about their companies. It really hasn't been the case. I think I have just built up enough goodwill over the five years or so that people are comfortable with it. They've seen the results since I've left and see that I'm still writing the same things, the same type of coverage. That sort of thing.

Michael: Okay, so, let's get back to the initial question that I asked you at the start of the interview that has to do with David Kesmodel's book, "The Domain Game." In 2008, you're quoted as saying that you owned 1,000 domain names for which you earned $100,000 per year in profits. Let's talk about how you did that to begin with. Not the profits, not how many you have right now, but when you first started out, was your intention to have 1,000 domain names that produced $100 per domain name per year?

Andrew: No. But I'd also be careful and say it's not like they were earning $100 per domain even as a median. We're taking an average here, which is through parking and sales and development. No, I wouldn't say that was my objective. I don't know that I had one. I built it up at the end of 2000. I was probably looking at 30 or 40 domains, and then really from that '04 on time period is where I got most of those. Back, again, I was probably . . . the book came out in '08. I don't know exactly when he interviewed me, but '07 was probably the peak of the market. I have a little bit more, a few more domains than that now. Yeah, there was never really a kind of a goal. It was never I'm going to do this by developing three and parking 997 and selling 20 a year. It was nothing like that as well.

Michael: What were your tactics for purchasing these domains? Did you look at niches when you went through? Did you look at the news and follow the news or magazines to find domain names? Or did you, just whatever struck your fancy, you registered? How did that take place?

Andrew: Yeah, the answer's all of the above. One thing I do is read publications that were not mainstream. You know, a little bit more advanced, future, science type publications.

Michael: Which kind of magazines?

Andrew: You know, at the time, I would even say scientific journals and such that I would just pick up. Even things, frankly, like Wired, that was kind of ahead of the mainstream curve. Technology wasn't necessarily. I would look through the Economist has their Technology Quarterly, where they talk about upcoming technology trends. I even went to a technology commercialization conference at one point and wrote down every word that I had never heard before, because I figured this was a university thing, these were somewhat scientific terms, but that they were like, oh, this is the way of the future. Then I'd go back and say, oh, of these 30, these 20 aren't registered. I would register most of them. Now that prices for domains are 10 bucks a year instead 70, you don't have to be as judicious. I get domains from that.

If you hear a new term on TV or talking to someone, I get those. Really, it's whenever you see a term that you haven't heard of before, I would write it down. I would literally when I was reading the Economist and the Technology Quarterly, I'd just circle any word I never heard before, go look it up, see if it's available. Even if it's not available, if it seems big enough, maybe there's something around that. Go do some more research and find other keywords and buzz words about that. People say all the good domain names are taken. Well, blog, when was the term blog invented? Around 2000? Obviously that wasn't picked up in the initial land rush. If you look for the next big thing and you can get ahead of that curve, yes, it's speculative, but at $10 a pop, that's something you can afford to do.

Michael: Definitely. Do you think a lot of your strategy for building this portfolio was to look for upcoming trends and to really become an investor? You're looking for domain names that you're going to invest in for over a number of years that hopefully you're going to hit a big payday on, as opposed to buying names to flip. I'm going to buy XYZ.com today and try to find a company named XYZ to sell it to them.

Andrew: You know, I did do some flipping, but more of it was kind of a long-term look. I did buy some and flip some domains, and there's some people that are very good at that. I looked at trends. I looked at things that I wouldn't necessarily make a lot of money from immediately but would make money from five, ten years from now.

One example, that I gave to David in his book, was the prefab market, the high-end prefab homes, which is something I caught onto from reading Dwell, which is a modern living magazine. I thought it was going to be a huge thing in the late 2000s, you know, 2007, 2008, 2009. The mortgage and housing bust changed that. Of all the things, that got hit really hard because it was a different type of market that people weren't used to. It's starting to eke back, and I've actually had offers on a couple of those domains. I would go out and get CityPrefab.com, CityPrefabModern. I bought a lot of modern housing domains, as well, a lot of modern domains. When you think about it, let's say I bought -- I don't know how many of those I bought -- but let's just say 200. At $10 a pop, can you afford to have that much burn rate a year investing in it? Well, for me, sure. If I couldn't . . .

Michael: $2,000 a year, a burn rate.

Andrew: Yeah, $2,000 a year. Now . . .

Michael: To register them over and over again.

Andrew: If you decide after two years that whole niche is a failure, well, you drop them and you've lost $4,000. I guess my point is other people can drop $20,000 a year on a particular niche and not worry about it. That's not really me. Other people wouldn't want to drop $2,000 on a niche, and they'd want to drop $200 on a niche. Other people would want to drop hundreds of thousands. It's all a matter of what your risk profile is and that sort of thing. Going after that, over the past couple of years, I registered a lot of city name followed by plumbing, doctor, and that sort of thing. Doctor and dentist are actually really hard to get. Allergists, for example, city name followed by allergist, that sort of domain which it's not really a niche. I guess you could call local a niche. I've got medical names. I've got legal names. I've got across a number of different verticals as well.

Michael: Okay. I want to revisit the prefab market that you played in a little bit, but I want to come back to that. Talk about the roughly 1,000 domain names that you still own. You talked about some niches that you've gone into. You've talked about geo versus the .com. Do you find that most of your investments are in the .com TLD?

Andrew: Yes, I've played around with others. I have a little bit of everything. Not so much in the ccTLDs. That's something that I'm probably going to miss the boat on too, to be honest. I've got some biz and info and that sort of thing as well. The majority of that is .com, some net and org as well. The ccTLDs are a great opportunity. I think you need to have a lot of local knowledge and teach yourself that local knowledge in order to do that well. There are also a lot of rules around ccTLDs that some people find ways around so that they can own domains that maybe they, technically, aren't supposed to be able to own because of residency requirements, that sort of thing. I haven't really gotten into any of that. But there's, obviously, a huge market there as well.

Michael: You amassed 1,000 domains over the period from '97 to 2005, 2006, somewhere in there.

Andrew: Yes.

Michael: After you bought them, what did you do with them? Did you immediately turn them onto parking? Did you decide this domain that I'm buying out of the 100 this year is worth developing? How do you handle those?

Andrew: Well, remember parking wasn't around until, gosh, what '02, '03, in the current sense that we think of it today. Obviously, until then there was nothing you could do with it. I say that, there were and some smart people were doing things like forwarding it to go to's search box, where they got paid a few pennies, that sort of thing. It was not as easy as it is now. You can't just point it and earn money.

I would do a number of different things. I was familiar with affiliate programs. I would do affiliate based forwarding. I would create websites, content based websites using Front Page, nothing technical back then. I sold a couple of those off, didn't get rich. The first one I remember selling as a website for a couple of thousand when I was in college. I sold another website for about $10,000 when I was in college. I didn't hit it big. You take that $10,000 and you reinvest. Reinvest that, build something else and sell that and then reinvest that.

I didn't necessarily have a plan for how many I would develop. I would say that I probably also made some mistakes developing things that I was not passionate about but that I thought that I had a good domain name.

Michael: Like what? Do you have an example of something that you weren't passionate about but you developed out?

Andrew: Yeah. This isn't a great example, but it comes off the top of my head is NYCSearch.com. It's a domain I've owned for a long time. I spent some time developing that out. I think it's just a simple directory site. I think it's, hopefully, still working now. I mean it was many years ago. If I'd thought about it, what I should have done is like AustinSearch.com since I'm here in Austin and I know about it. There's value, certainly. New York's a huge market, and if you're going to develop all over the world, you certainly want to think about that. The thing I see people do over and over again is say, "I have this great domain. Maybe they bought it back in the late '90s or they got a good deal on it. I say, "Oh, so what do you know about that industry?" "Well, I know nothing, but I'm learning." That's okay. "But do you like it? Do you like the industry?" "No. Honestly, no I don't."

If you aren't passionate about something, there's no way that you'll keep up on it. I always tell people that come to me saying, "I think I want to do a career switch. I want to get into nursing or I want to go back to law school," I say, "You know what? Start a blog and blog about that topic for two or three months and then see if you're still interested in it." If you're interested enough to blog even a few times a week, just about random topics, especially since no one's reading it, you have no audience after two or three months, see if you still like that topic. I think a similar thing can be said in this industry.

It's a shame there's not an easier way to just find somebody who's interested in your topic and swap or something like that. The way you do that is that you have to sell the domain and then buy one on a topic you're interested in. I could write about domain names all day. There are other topics that I can't. I actually bought a website around college savings plans, which is not a super sexy topic, but I happened to be researching them for my daughter at the time. That, even though I'm not super stoked about that, I was enough that I was doing the research anyway. Then saw, hey, I wasn't finding what I was looking for online, why don't I create something for this.

Michael: Right, so there's a great example. You bought a domain name. You did all the research yourself. Then all you had to do was take the extra step to get a website up and put that content onto the website.

Andrew: Yeah, in that particular case, actually, someone had developed a website that ranked pretty well. I bought it from them. The website had very little content on it. It had three or four pages. So I said, "I'll buy this, I'll hire an intern from the university. She can help research. We'll get all the content, and then we'll put it up."

When you buy a website, it's really hard to get someone to sell you their domain name at a multiple of two or three X now, unless it has issues. A website is very different. People will sell you a website for two or three times their net on it. If you see an opportunity on it that they don't see, you can change that into getting your money back in six, eight. That I had a payback period of maybe 18 months on, and it's still generating income.

Michael: What was that domain name again, for the . . .

Andrew: That one is 529s.com.

Michael: 529s.com. So somebody had a three page, a few page website on it. They were basically just trying to generate some advertising. Trying to get some rankings and you came in and said I can develop out a real site with some good information.

Andrew: Yeah, and it's not pretty. Remember, I'm not a web developer. Yeah, just getting the actual information that people are looking for on there. Now, I don't really have to do anything with it. It there and it generates money. There's a little bit of upkeep, maybe 10 hours a year. but beyond that. Frankly someone else could come along that's actually really interested in the space and thinks of, right now, I make most of the money on that from Google AdSense. They could come up with a product to sell and it would be worth ten times as much to them as it is to me.

That was actually another, at the same time, there was another niche I guess I got into, which is I went around and registered a lot of domain names related to state 529 plans. I've gotten maybe 50 or 70 of those, as well, which for now just point to the main site.

Michael: So the main site, when you purchased that, did it have a decent amount of traffic? Was it making some money at the time?

Andrew: It was making some. Gosh, I'm trying to think how much. The person had done a good job getting people to link to the site.

Michael: Oh, really?

Andrew: Frankly, at the time, there wasn't a whole lot of content on that. Would it be a niche I would go into now if I were just looking at it fresh? No, because now there's competition in it. I just happened to be placed fairly well in that competition because of how long that site's been around. If you're researching a topic and you see a site on the first page of Google for keywords that seems like it's not getting love from the owner, reach out to the person and say, "Hey, I'm interested in buying it."

Michael: That's great advice. When you reach out to them and they say, "Well, I'm making $100 a month, let's say, in passive advertising." How much should you, what do you think is fair as an offer to somebody who's making $100 a month off a website?

Andrew: Here's the key that a lot of people overlook on this. How much time are they spending on that? You say passively, but you've really got to drill down when you talk to them and say, "Okay, but really how much time is it taking you?" If they were getting people to link to them, that took a lot of time. Are they still doing that? Do you still need to keep doing that? A blog is one where you really need to look at the time. I've had offers to buy DomainNameWire a lot, but as part of the package everyone wants me to continue writing for it at least part time because they feel like that needs to come with it and I think that's right.

You really need to figure out how much time they're spending and the cost of that time. If it requires monthly updates, you need to calculate that cost into there and then get to a net income amount. If someone spends full time on a site that's making $60,000 a year, well, that's kind of making zero dollars a year, if they're working on it full time.

Michael: Let's say they just have a shell of a website that has some content but they don't ever update it, they just wait for the AdWords checks to roll in.

Andrew: In that circumstance, I'd look at somewhere around two times annual earnings. Then I would, but I would also figure out how much do I think I could make from it. People say, oh, 2x that's really low. But think about the risk that's involved there too, and let's not just talk about $100. Let's say you're buying a site for $50,000. Again, getting back to it's different for each person.

For me, $50,000, I'd think twice. Some people wouldn't. I look at that and say, okay, what if the person actually was doing some shady SEO stuff and I lose all my rankings, or a big competitor jumps in and I lose all my money from this? How can I minimize my risk on this and get it down. Then, do I have the resources to put into this? Can I go hire an intern from the university for $10 an hour to work on this?

Then figure that out and get that down to somewhere significantly less than that. I think, depending on the size of the site, most people are actually going to look for more than two times their annual earnings. It's risk adjusted. If you're paying someone on a two-year payback period, technically you're getting what, a 50% return a year, basic. But risk adjusted, you want something about that much because there is risk over two years. How long has the site been up? If the site's only been up two years, that's half of it's life that you're looking about until you get its money back.

Michael: Definitely. If you're making a large investment, $50,000, $100,000 based on links that are going to the site and a certain amount of traffic, will you actually and I'm not sure if you've done any transactions like this, but would you recommend that a certain portion be maintained in escrow until the end of the first year or . . .

Andrew: I signed a contract, a legal contract, which, I guess, in some ways escrow might be easier but then, as a seller, so put yourself in the seller's shoes. I'm like, "Well, what if this guy really screws it up?" So I don't want to have anything held back. With this particular guy, I bought it and then it was if I sold it within a certain period of time, if I basically flipped the website, he would get a cut of that. We got more creative. He was a financial planner, so I agreed to send him all the leads for his particular state.

Michael: It turned into really a win-win situation there. He might get more leads . . .

Andrew: He's looking at it saying . . .

Michael: . . . by you building it out actively.

Andrew: Exactly, and then he looked at and said, "You know, I'm not building this out actively, so I could get more traffic and end up getting more leads and sell this site at the same time." It was definitely a win-win.

Michael: Yeah. Well, that's a great idea for somebody that might have started a website on a topic that they were passionate about but just didn't have the time.

Andrew: Right.

Michael: Fantastic win-win. You mentioned that some of the domains that you set up were just pointing to affiliate links. Did you find that useful?

Andrew: Yes.

Michael: Do you still have some of your domains that directly point to affiliate links?

Andrew: I'm trying to think. There have been various companies that have tried them. There is a model there. It's just you really have to focus on a particular niche and a domain that is getting a lot of traffic. Otherwise you won't get the data you need. That's something we're actually playing around with at Big Jumbo, which I know we'll talk about. There are particular domains that can perform well with that. Then there are some that aren't. Back before you had parked pages, it was a great option. Then for a while parked pages were a much better option. I think that tide, that might be changing now.

Michael: Right. So you mentioned earlier that you stayed away from the trademark infringing domain names. You really purchased generic words. You'd look into the upcoming trends. You'd look for big topics that might blow up, become big in the future, and you'd try and reserve those domain names. Do you try and focus on single word generic domain names, double word? Would you go to triple? Did you have any strategy around that?

Andrew: You know, I really don't, obviously, the shorter ones are better, right? It's all a matter of the better domains, I mean, for the most part, I wasn't . . . I take that back. I was hand registering a lot. But when it comes to existing domains, obviously, you're paying more for those one word domains. I never really got caught up in that letter, letter, letter, consonant, vowel, that forward character stuff. I didn't buy domains just because they were rare. Whether or not that was the right decision or not, I don't know.

I think a lot of people bought any four letter domain even if it was horrible and had horrible letters just because people were buying them. Then the bottom kind of fell out of that market. Four letter domains are great, but if it's just because you want to sell it to someone else who thinks it's great, that's the very definition of a bubble. There has to be something there. The domain business is a lot of speculation. The intrinsic value of a domain, people have tried to put that intrinsic values into a multiple pay-per-click revenue, that sort of thing. That was fairly easy, but even on that we saw pay-per-click revenue bomb, drop off. Then what you bought for 5x turned into 10x. The risk adjusted model there comes in perfectly, which is you need a high return because it's high risk.

Michael: Right. So a lot of the domain names you said were hand registered. Do you have any idea how many you actually purchased from somebody else that you thought were great generic keywords, single or double?

Andrew: There were expired, and then there's actually buying through auctions and that sort of thing. Out of 1,000 thousand domains, let's just round down to 1,000, I'd say 200 to 300 expired.

Maybe 50 to 100 bought from all ranges from $100 to I don't think I've spent much more than low five figures on a domain, but all those ranges. Then you've got 700 that were hand registered.

Back in the day, I'd take a spreadsheet that had basically the top 50 city names -- back in the day, I mean this about four years ago, three years ago -- all the city names, and then I'd just plug in keywords for terms. You know doctors, lawyers, take that dump it out, throw it into a bulk checker, and see what was available and then I'd decide partially based on how many were available. If all of them were available, I thought maybe this isn't a great niche. If there were three, then I would look at the city names and say, "Okay, is this city worth it," and that sort of thing and register those.

I did a lot of hand registration through that. I'll say too that I have let some domains drop over the years. Back when I was doing, back in '04, when I was doing a lot of SEO type mass production of websites, some of the domains I bought were actually really bad if you were to look at them but they had a lot of search engine juice to them, and for a while you could get away with that. Now if a domain fully expires, Google takes that into consideration and says, "Okay, this is a new owner." Back in '04, they didn't do that. So you actually got all the benefits from that domain name when it expired.

Michael: Just to finish off sort of the tactical aspects of how you were managing your portfolio, were you, not to be promotional, but did you find one registrar was easier for bulk checking and cheaper for purchasing and . . .

Andrew: Moniker was really good for bulk checking. Everyone has their favorite. I frankly have most of domains at Moniker and GoDaddy for various reasons. Moniker was probably where I did that. It was just really easy to go in, register with a couple clicks. I've actually moved a good number of my domains to GoDaddy to take advantage of their premium listings where you can get into the registration path and sell your domain names to people when they're looking for your specific domains. Now, thanks to AfterNick, you can do that at a lot more registrars including Moniker, but you couldn't do that except at a couple select ones until fairly recently if you were a smaller portfolio holder like myself.

Michael: All right. Let's get into your current position. You recently, end of last year, accepted a position as a SVP in charge of business development at Directi. What are your responsibilities there?

Andrew: I'm running business development for a few different units there, primarily Big Jumbo, which is our parking platform for everyone regardless of the number of domains you have, and then Media.net, which is a contextual advertising network which on a developed site you can put our ad unit on there. Big Jumbo is, did you want me to talk about each of these and what we're doing there?

Michael: Yeah, let's talk about Media.net, the contextual advertising, to begin with. It sounds like it's a direct competitor with Google AdSense or Google AdWords.

Andrew: Or a complement, you can look at it either way. I think we take a slightly different approach. But, yes, basically you have ad space. We're contextual in nature, so we match the ads to the topic of your page. We have really good ad depth and really good matching technology. Some of our ads are two-click and some are one-click. When you think about the company's background in domain parking, we really understand what people's intentions are when they arrive at a particular page because of all the background we have in that.

We have units that are basically keywords related to the topic of the page. When you click on that, you see the potential pay-per-click ads there. We have some that are direct as well. We kind of launched it at Ad Tech last fall in New York. Right now, it's not something that you could go sign up for and automatically put the ads on your page. It's something we're getting to and we'll be there shortly. Right now, we work with large publishers that want to try out the technology. A lot of them are very, very happy.

Michael: Who are some of the large publishers?

Andrew: We're showing our ads on Yahoo, I'd say is the biggest one. We're on a lot of different verticals there. That's the biggest by far.

Michael: So, Yahoo is actually trying you out and they have they're own advertising network from Bing.

Andrew: Right. Yeah, they exited the contextual. They use to have their own AdSense product which they exited a while back. Yeah, so Yahoo, we have ads across a bunch of different verticals. Right now, by the time we launch that self-service system where you can sign up and do it yourself, we will have a lot of data about what works best and what doesn't. We also have search targeting, which means that if someone comes to your website from a search engine with a particular term, we will show as directly related to that term which converts phenomenally well.

Michael: Wow. That's a tough business, because you need to deliver both the supply and the demand. You need to sign up a large portion of impressions at say a company like Yahoo. But then you also need advertisers to be able to buy those ads. It sounds like you've been somewhat successful in . . .

Andrew: Yeah, we have a lot of ad feeds coming in. I'm primarily, if anyone's listening to this that's a publisher that has a website, I'm primarily focusing on publishers right now as opposed to getting advertisers on board, at this phase.

Michael: So you're looking to bring on more advertising space?

Andrew: More website owners.

Michael: More website owners that could display advertising?

Andrew: Exactly. Yeah, more ad space, sorry.

Michael: What's the criteria for being a good publisher to partner with Media.net? Do you need at least a million impressions? Do you need at least 100,000 unique visitors? How do you classify it?

Andrew: Well, first of all I'd say English based website at this point with most of your traffic from the US, Canada, UK. Those would be the first two things, and then from there, most of the sites we have now are millions of impressions a month. But I want to start working with smaller ones even though we don't have our self-service set up yet. Even someone that has 100,000 or 200,000 well targeted visitors at this point, I definitely want to talk, and then if we decide it's not worth at this point, then in two months, we'll have a self-service and that person can go in and edit their ads, create their ads, try different things, that sort of thing. Majority are over a million, but, yeah, if it's under a million page views a month, I still want to talk to people about it.

Michael: How do you differentiae your offering versus somebody that puts Google AdSense on their website?

Andrew: I look at Google AdSense as a one size fits all sort of program. Here's our units. Yeah, you can customize the colors and that sort of thing and the size. But that's about it. Whereas I can work with someone who's got a million views who wants to create a different type of ad unit that's not a standard size. They want it to work in their site, be part of their navigation structure or something along those lines. I can do that sort of thing with someone. It's much more customized than you'll get with something like Ad Sense. I'd say that's a big one. I think the search targeting option we have is also very powerful and performs extremely well. If you get a lot of search traffic, that's definitely something I would consider.

Then again it doesn't necessarily have to be a competitor to your AdSense unit. It can be a complement. It can be a complement as well.

Michael: When I sign up with Google and I put ads on my website, I'm pretty much just trusting them to . . . really I have no idea what I'm going to get paid. I could have a million impressions and it could produce a penny a cpm or $100 a cpm and really I have no idea. Well, I have some idea, but, really, I have no idea what the split is and it's difficult to understand. Do you provide some transparency around how much publishers make by using your system?

Andrew: Yeah. We don't give a specific percentage, and I would say that it could potentially change for someone based on the quality of their traffic. Our company origins on Skenzo on the parking side has always been focused on quality of traffic. I think that there's some companies that will take any traffic and just discount it. We don't want bad traffic.

We will pay a very nice payout to someone who brings good traffic to us. I'll also get back to one point you said there on, or getting back to that one size fits all, I think another thing that separates us is Google is strictly the machine deciding what goes. Advertisers, I guess, can place on a particular page. We also, given our background and optimization, we can do a great job of machine optimization, but we can also look at your website, if it gets a lot of traffic, and go in there and optimize as well ourselves rather than just letting the computer algorithm pick which keywords are the best.

Michael: I've got a million questions left over here, Andrew. So I'm going to focus a little bit more time on your current position at Directi. I met you at DOMAINfest in February about a month ago. You were representing BigJumbo.com, which is a parking service just like Skenzo is a parking service. I'm relatively new to the domain name industry and the parking space. There appear to be at least 20 parking companies, probably 30 or 40 given I don't know how many parking companies are out there. What differentiates Skenzo, Big Jumbo from it's competitors and what convinced you to want to work with Directi?

Andrew: Yeah, I think those are somewhat related and in some cases different questions as well. First of all, every parking company tells you that they have the highest payouts. Literally, if you go to them, they pretty much all say the highest payouts which they, obviously, can't all have. One thing that every parking company I've every talked to will say, and I'll say the same thing is, no one parking company will do the best for all of your domains. One will do best for a certain segment of domains. Others will do best for others. But one overall will do better for . . .

Michael: Why is that? Why will one parking company do better for a set of domains and another one will do better for another set?

Andrew: It's different types of traffic and what that company's seeing. International versus US traffic, maybe there's a particular niche that one parking company has figured out how to optimize better for them than others. There are a million variables at play. With Big Jumbo, so the origins of that are Skenzo was our initial parking company, and it's geared only towards very large account holders.

Michael: What type of size?

Andrew: Generally speaking, I'd say $50,000 and up in revenue a month. We do have some smaller, but the focus is on large parking customers. Very hands on. You want a report, we'll get it for you. Here it is. Whatever you want, we'll take care of it.

Michael: If I have a domain portfolio that's producing $50,000 a month, I sign up with Skenzo, I get an account rep that calls me and gives me the information directly. I don't even need to look at reports in my e-mail.

Andrew: Don't look, yeah. Big Jumbo is made for everyone. I'd still at least to argue that you get that hands on support through Big Jumbo as well. We've taken the same technology and made it something that works for everyone. It's a self-serve platform, but we also don't want you to have to get in there and change everything yourself. We do a lot of that for you. We do the computer and the manual optimization, the template selection, that sort of thing. We wanted it to be simple so that you basically park your names on there, and then if you want, you can forget it. We'll optimize them and do a great job making great, hopefully, payouts for you based on your portfolio.

Michael: How do you do that? How many domain names do you have under management at Big Jumbo, let's say?

Andrew: I can't disclose the actual number. I'll say, I'm going to misquote it, but I can get a number for you. In any given year, we've got across our platform six or seven million domains at any given time.

Michael: Okay, across the whole Directi platform, right?

Andrew: Right. We're monetizing over 20 million unique domains a year.

Michael: If I'm an Andrew Allemann and I have a thousand domain names in my portfolio and I sign up for Big Jumbo and I point all thousand there, a thousand seems like a lot to me but to Big Jumbo I may be a small fish compared to . . .

Andrew: No, I wouldn't say that. I think Big Jumbo is for everyone. We purposely created this platform that even if you have ten domains. First of all, I would say a thousand domains versus ten domains, the ten domains may get more traffic than the thousand domains, right?

Michael: True.

Andrew: Really, counting the number of domains isn't as valuable I think as the billions of pages we're delivering every year. We've created this such that if you're making $100 a month, 1$,000, $10,000, we're still going to give you that hand holding and that support and managing it for you. Whereas on Skenzo, I would tell you yeah, if your account's only making $10 a month, this isn't the right program for you. On Big Jumbo, we'd love to have you try it out. Obviously, the more money, the merrier, but we definitely are a solution for everyone in the continuum.

Michael: So at these parking companies, if I park my domain, really I'm going to generate money using Big Jumbo if I either get type in traffic for that domain name, somebody actual types in MichaelCyger.com and comes to my domain name.

Andrew: Which happens millions of times a day, I imagine.

Michael: I should go register my domain name before I post this interview. Or I have a bunch of links coming into my website that maybe I bought the domain name off an expired list and it just has links that people are never going to clear out, so I get links coming in. Are those the only two scenarios where I typically make money using a parking company like Big Jumbo?

Andrew: Yeah, and I'd say the higher traffic quality is the type in. I mean, there's buying traffic and that sort of stuff that people do, which that's something you need to work with on an individual basis. I mean, arbitrage is basically what that is.

Michael: Right, they're buying traffic for a low amount and then hopefully making more money off of displaying ads.

Andrew: Right. There are a lot of rules around that that people can and can't do. Yeah, we're looking for that high quality, mostly type in traffic.

Michael: When you say there are rules, there are rules on Big Jumbo that prevent you from doing arbitrage?

Andrew: I think there are rules at every parking company on exactly how you can do that. I don't know all the details to be frank on every topic, but, yeah, I would say if someone new to this industry says, oh, let me just go open a parking account and start buying traffic from a tier two search engine and send it to parked pages, you're not going to get your payday.

Michael: Okay. So let's continue about parking. In 2006 you went on Monte Cahn's program and said, "I've used a number of different parking services, but I think the real money is in developing sites and even if it's a small three page site, over time I think you'll find that you can get a lot more revenue from that than from going through traditional parking." Do you still agree with that statement? Or how has it changed over time, since 2006?

Andrew: It has changed. First of all, I would say that I did, especially at that time, have success turning a page that was making $1 a day on parking into $10 a day as a five to ten page website. For a number of reasons, one, in some cases, even if you have content on the page, people still click on your ads. Not as often, but they'll go through more of the site and find the most relevant page and click on the ads. Then, of course, you can get into search engines if you have real content on there. The catch is that if you create a bunch of mini-sites and you don't do anything with them, you don't write additional content, you don't go out and get links to your site, which the best way to get links by the way is by writing actual compelling content, not asking for links. That's going to wither on the vine and die. You would be better off with a parked page that gets less traffic.

We've had mass development. We've had mini-sites, which for some reason the domain industry thinks we invented mini-sites a couple of years ago. Well, people were creating mini-sites ten years ago. Just like we think we invented development, well, the first websites were developed websites. We didn't invent any of this in the domaining industry. We've just had to resort to it since parking has gone down hill.

I would say, I guess, today and this could change tomorrow, my recommendation especially in light of what Google's been doing lately on sites that don't add much value, which a lot of two, three page websites don't add much value, is to focus on two or three. If you have a thousand domains, focus on developing two or three of them. Not 100, not 200. Then the rest you look at parking and settle in.

There are different things that can be valuable that aren't full scale development. I put a lot of my local geo domains on a system called Octane 360, which is now part of Local.com, and they perform better than parking for me. Not as well as developing each of these sites out, but better than parking. I would say that advice was very relevant in 2006. I'd say it's not as relevant now. I think I would probably change that to focus on two or three core domain names and the rest of them look at just doing the best you can in the minimal amount of time.

Michael: I love that advice. I want to dig into that a little bit more about developing just a few sites, but I also want to be respectful of your time, Andrew. We've been on this call, you and I personally with the pre-interview over an hour, and coming up on an hour with this interview. Do you have a few more minutes to share with me?

Andrew: Yeah, I do. I hope people are still listening.

Michael: The last point I want to talk about is how to develop out a few domain names, and then I want to talk about the prefab example that you gave prior. Then I want to wrap it up and give some last bits of advice for our listeners and watchers. In "The Domain Name Game," you said, "I've had domains that were earning a dollar or two a day just parked somewhere, and I've turned that into $25 or $35 a day creating mini-sites around them." $25 a day is $9,000 a year and if you develop just 11 of these sites, that's $100,000 right there. Is it a better strategy for most domainers, would say, to build out a few, you know, 10 websites, than it is to buy 1,000 domains and then park them?

Andrew: I said focus on 2 or 3, but an interim step might be to focus on 20, by creating a mini-site, if you will, and seeing which ones kind of get, catch on, right?

Michael: Some are going to take off and some aren't.

Andrew: Yeah, because when you bring up that example of a site that suddenly makes $9,000 a year as a mini-site, keep in mind that for every one of those, which David probably didn't write in his book, I spent a lot of time making nine others that made just as much at parking. Let's divide that 9,000 into 10 and say it makes $900 a year, and then you think about the time it takes you to build those. Well, now you've got to get into a question, getting back just like you buy a website, which is was it worth it? Was it worth your time?

I think if you get kind of a couple of niches there, find which ones take off and then develop based on those, I think that would be a very valid strategy as well.

Michael: You mentioned your 529s niche where you developed it out. You hired an intern for $10 an hour from the University of Texas and you developed that niche. Do you have some other niches that are doing relatively well for you?

Andrew: On mini-sites, not so much any more I wouldn't say. I focus so much of my time, okay, so one of my niches is domain names, right? DomainNameWire, you know, I focus so much time on that and it's more valuable for me to spend time on that in addition to my "job." My full-time type stuff, it all helps itself, but I would say those are the key ones. I haven't really built anything out on those prefab domain names. I'm trying to think if there's anything more on that.

Michael: Today, you can go out and download WordPress from WordPress.org for free.

Andrew: Oh, it's so much easier.

Michael: You can get a parking company for $5 a month. You can put up multi-sites nowadays, so you can actually run multiple domain names off a single site and then you can develop out 5, 10 websites that you're biggest time sink is writing good content, as you say, to put up on each of those websites. You put them up and you wait. Maybe you go and you try to develop some links and you ask for people to take a look at your content. If they like it, they can link into it. Any other bits of advice that you'd provide to a domainer that wants to get into a development like this?

Andrew: I think that's a great start. There is a program I used called Xsite Pro. It's application software that allows you to develop sites. That came out really before WordPress took off. I would say some people may find it easier to use something like Xsite Pro. It's more limiting, but if you're not technology astute, you might find that it works better for you in some cases. I think getting, WordPress . . . you really nailed it on the head.

When I created my first website, first of all it was $50 a months to host this ten page website. It took them three days to set up to provision your hosting account. You start getting up to ten sites, that's $500 a month. The economics have changed, and you didn't have these content management solutions like WordPress, which is just one of the greatest applications of all time.

I would say either of those are a good start. I also would think beyond content, beyond just creating a content site. Obviously, you've had success with that. I've success with that. Something in ecommerce site. Don't reinvent the boat on those. There are a lot of services out there that have your storefront or your backend and you just need to create the storefront on top of it.

Michael: Definitely. All right. So let's talk about prefab, because you had mentioned it a couple of times. It was in the book. Basically, if I understand correctly, you basically went out, you found the 100 largest cities in the United States, you tacked on the word prefab either before or after, maybe some variations of that, and you registered them all as a niche because you saw that prefab housing was a burgeoning area that you felt was going to take off. Is that a good summary?

Andrew: Yeah, and I wasn't looking at in prefab as in Palm Harbor Homes prefab mobile home type thing. There's this utopian view that rather than building houses on site, which is a very haphazard process, it's wasteful. You're depending a lot on the labor of the guy who comes out to do it.

Michael: The weather and a lot of other factors.

Andrew: The weather, yeah. Just build them in a factory, and it's really a great idea. There are a lot of modern homes. Unfortunately, the big problem with it is it doesn't end up being any cheaper, at least right now. You still end up paying as much as house built, but it's a better built house and it's cool, I guess. I thought it was really going to take off, and then I kind of forgot about it for a couple years. I read an article on it five months ago. Whatever happened to the promise of prefab? It was saying how getting a loan for a prefab house, it's a lot harder than getting a site built house because . . .

Michael: Really?

Andrew: Well, because a lender likes to lend on something they're used to, especially after the bubble burst, right? They got burned lending on things that they didn't. I think maybe it will make a comeback. Maybe not, who knows? Some of those domains earn a little bit from parking revenue. In the meantime, I'm not willing to cut them loose. Just like a stock trader, this is a horrible trait, but you're more willing to cash in your gains than to let go of your losses.

Michael: Exactly, great analogy. Looking back at this investment, has that modified the way that you look at future niches and trends and whether you're willing to invest or not?

Andrew: That's a good question. Again, I think it gets down to how much you invest in it. You've got a threshold, and what happens, nine times out of ten, is you go beyond that threshold because you get excited. If it were something where I thought it was going to be hot next month, I would start blogging about it or developing a site around it to generate revenue right away. In that case, I knew it was a long-term play. There wasn't a whole lot I could do about it right then.

Michael: You're saying if you don't have a large budget for domaining but you see a trend coming out that might happen across the United States, you could, instead of picking the 100 largest cities, you could pick 5 or 10 largest cities where it probably has the biggest bang for the buck.

Andrew: Yeah, absolutely.

Michael: So, a lot of great information. I've got a ton of notes. I'm going to summarize them on the Web underneath this video. I want to leave our watchers with one last question. Let's give people one action step that they can take at the end of this interview. If they want to take what you've learned to grow their domain name portfolio and make money passively from parking, what's a scalable, cost effective, consistently produces profit piece of advice that you would give them?

Andrew: You threw me a curve ball when you said through parking there. I would say that if you're hand registering domains today, very few of them will get traffic. The actionable thing I think is to go out and buy a domain name on the aftermarket. Set yourself a budget. If it's a $1,000, $10,000, it doesn't matter, but don't put all your eggs in one basket on that. Go out and whether it's expired domains or buying some on the aftermarket that you know get traffic, I would take that stuff and then park them. You can't manufacture traffic for parking. You can manufacture traffic for, by manufacture I mean work for it, developed websites.

I would say if you're sitting there on a portfolio of 100 domains, I would look at the 5 that most interest you from a topic standpoint. Start playing around with them, whether it be developing them, creating a WordPress blog on them. I would say those are the keys if you want to get an income. I wouldn't call it a passive income though. I would say passive income in a lot of ways is a cool thing. If you develop sites and you do it right, you can develop a passive income from them like I've done on the college savings website.

I think if people start in the industry with the idea that I'm going to generate a passive income tomorrow, like people did ten years ago,. I don't think that's the right attitude to take. I'll tell you another thing, those people who have passive income right now, they worked their butts of ten years ago too. I mean, don't look at Frank Schilling and say, oh, it's just easy as passive income. That guy was working around the clock to acquire domain names. I guess I look at it from that standpoint. I don't look at it as get rich quick. Maybe more get rich slowly and take those steps.

Michael: All right. So again, your personal websites, Andrew, are DomainNameWire.com and DNWStats.com. You're also working with BigJumbo, Skenzo, and Media.net for Directi. You can follow Andrew on Twitter at DomainNameWire. Any other way that people can contact you if they want to learn more about . . .

Andrew: Yeah, my e-mail address is DomainNameWire.com. I'd also say, if anyone has questions on any of those sites, whether it be BigJumbo, Skenzo, Media.net, or DomainNameWire, DNWstats, please reach out to me and I'm happy to help you.

Michael: Andrew, thanks so much for doing today's interview. I've really learned a lot, and I think our readers are going to enjoy this.

Andrew: My pleasure. Thanks so much for having me.

Michael: Thank you. Thank you all for watching. Bye.

Watch the full video at:
http://www.domainsherpa.com/andrew-allemann-domainer-directi-interview/