

Churn and Burn Domain Names for Big Profit - with Elliot Silver

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Michael: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the Domain Name Authority, and the place where successful domainers come to tell their stories, tell you how they built their portfolio, motivate you and give you ideas so that you can go build your own portfolio and hopefully do what today's guest is doing – which is an interview where you teach others to do the same.

How much should you pay for a geographic domain name? How do you decide when to flip a domain for a quick gain or hold a domain name and develop it for long-term growth? And what tactics are best for growing that domain name into a website and a business? Joining me today to answer these questions is Elliot Silver.

Elliot is an Internet entrepreneur and a domain industry veteran but most people know him as the publisher as the wildly popular blog, Elliot's Blog. In this interview, we'll find out how he built his businesses, Top Notch Domains and Silver Internet Ventures. Welcome Elliot and thanks for doing the interview.

Elliot: Thank you, I don't know how wildly popular my blog is but I appreciate that.

Michael: Oh you're very humble, it's wildly popular. I want to sort off the interview today Elliot with some basic information about you as a domainer to catch people up on how you've shifted your strategies and tactics recently. Then I want to deep dive into geo-domains and finally end the interview with learning how you build a niche domain, DogWalker.com into a brand and a business. Sound good?

Elliot: Great.

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Michael: Okay, so let's start off with a little background on how many domains you currently have in your portfolio? How do they break it up by TLD and by category?

Elliot: I'd say probably between 300 and 400 domain names is my portfolio total. I would say 90 some percent is .com. I really only buy investment grade .com names. In the past I bought some .org and dot net names for, basically for development purposes. For example, I think I owned LowellRestaurants.net or .org or something, to build mini sites to direct traffic to the main site. But for the most part of my portfolio consists of all .com names and got some .co's speculative names, I think about 10 or 12. And I probably have a few handful of .nets and .orgs, maybe 1 or 2 or 3 others maybe a couple of .us, that's about it.

Michael: So when you say investment grade domain names, how do you classify or how do you define an investment grade?

Elliot: Well, basically I look at it in a couple of ways if I'm planning on developing a domain name. Generally, I'll buy a name that was registered in the past. You know, it takes a lot of time and effort and money to develop a domain name and if for whatever reason my project fails, I think that the money that you spent and the time that you spent on a new name likely wouldn't be worth. You couldn't really do much with that domain name probably, I mean in most cases. But there's burn down value to older names, to older investment grade domain names. So, for instance if DogWalker.com failed, I could flip it to another domain buyer who would either pay what I paid or hopefully pay more for that. So, investment grade names are generally names that I plan on developing or flipping and those are just names that purchase in the aftermarket or drop sites, things with that nature.

Michael: And do they tend to be generic keywords like dog walker or might you come up with an investment grade name that's Holuopolis, you know which is good branding but, you know—

Elliot: I don't.

Michael: Doesn't really using any real words.

Elliot: I mean I think that for my own purposes I don't really invest in brandable names. I have a few maybe but for most the part it's all just descriptive and generic names. I'm not looking to, I think brandable names are great, they can be sold for a lot of money. I know a number of people who have a whole lot of them, but the problem with those is almost like crap shoot like a lottery ticket, you hope that somebody's going to come up with an idea that needs your domain name and it's not just a passing idea or fleeting thought as an actual idea for business and they can afford to spend the money on that domain name. And that's pay day potentially but basically all these things have to align correctly to do that. With my business, I'd rather just buy the descriptive domain names that are generic in nature like DogWalker.com, DogGroomers.com for example and that's really what I invest in.

Michael: And those aren't crap shoots because you know with really high probably that you can turn those around to another domain investor if you had to?

Elliot: Exactly, and the other thing is, I mean, I haven't had the perfect record or anything like that. There have a couple of names, few names that I've bought in the aftermarket that lost money on. But generally speaking when I buy a domain name I know I'm buying it at fair value or hopefully under fair value. And the very worst if I need to flip it tomorrow, if God forbid there's an emergency that I need cash, I know I'm not going to lose my shirt on it. So, I know at the very least DogWalker.com within like 2 weeks after I bought it I have received a few emails from people inquiring about it so I knew that there was interest. I paid a fair amount of money for the domain name, subjects and idea like most of my sales and purchases but I knew that could sell the domain for at least what I've paid for and most of the time that's the case, most of the time, even if I'm a little bit concerned, I generally know that I can at least liquidate it for a little bit of loss if necessary but the goal obviously is not to do that.

Michael: Okay, so one of your companies that I mention is called Top Notch Domains. It owns a portfolio of descriptive domain names and websites including Torah.com which you know is like the Bible, the first 5 books of the Torah, and DogGroomers.com, DogWalker.com, Newburyport.com. And

then in 2008, you launched Silver Internet Ventures with web properties that include Burbank.com a very popular City in California, Lowell.com which we'll talk about a little bit, Dreidel.com, my favorite little game during the holidays and Tropical Birds. Why two companies? Why break it out into two LLCs?

Elliot: Well, I think what the impetus for this really was when I was in the process of buying Burbank.com, I think actually I bought Burbank.com first and then started the new company but in any case time line aside. The real thing that I was thinking at that time was I don't want to go into to try to sell advertising to a company in Burbank and sign and have them send a check to Top Notch Domains because there was to my company than just domain names, at that point, and that the same with Lowell.com as well. I didn't feel comfortable walking in with the Top Notch Domains business card. That was really like what got the thought in my head and then the more I talked about it with friends and attorney, it came clear that I should start a separate company because these are going to be developed domain names. I treat them different for tax purposes with developed assets and it's also just shifting the liability from one company to another because there's different type of liability when you're buying and selling names and developing names. So, for that purpose as well, I started the Silver Internet Ventures LLC.

Michael: So you're saying, if you happen to get sued by say an advertiser of Burbank.com or a partner or something like that, that might affect your assets in Silver Internet Ventures but it doesn't affect anything in Top Notch Domains because it's a separate legal entity.

Elliot: I would hope, I mean I guess I can say absolutely hope so. I'm not a lawyer so I can't speculate but I tell you I'd use two different banks, I don't even keep the invoices in the same drawers. They're completely separate entities. So, it's kind of you know...when you think about it but it's really just to protect the different assets. Hopefully that's never an issue but in reality it's something that I've considered and talked to a lawyer about and it's the nature of this business I guess.

Michael: Definitely. Okay, so of the domains that I mentioned half of them appear to be geography domain names. Do you prefer geo over keyword

domain names or was that just sampling of the domain names that you have happen to put up representative of those companies?

Elliot: Well, that's just a sampling of the names that I intend to develop or have developed. Often times it's easier to flip a descriptive domain name that I really don't have an interest in developing. I learned with the TropicalBirds.com develop project which took a while as my first ever development and I'm not really, I have no technical background so I was really learning on the go. And I learned that you really need to have an interest in the topic at hand to continue on with the project, I mean it's easy to start up, it's easy to get going once you start but 3 months down the line are you really going to want to be writing articles and talking and joining for some really promoting your site that you have really little interest in.

So that's where I was with TropicalBirds.com but I love the geo domain names. I think they're fantastic because by default, people are really accustomed and familiar with the geo domain names. So, I could go to Burbank tomorrow and say ask about Burbank.com and likely have the people on street that I ask about say they have heard of it or been, whether they have or not is you've got the name. So, it's already built a brand that geo domain name City.com in specifically have a brand basically and that's what really draws me to City.com names. Learning from David and Michael Costello, Fred Mercado, Skip Hoagland, Jessica Bookstaff, all those people there, a ton of top notch developers out there and companies that have done quite well with geo domain names. So, that what really inspired me to develop Lowell.com and Burbank.com and Newburyport.com.

Michael: Great, and how did your, you know, I know you don't want to get it, we had a pre-interview, you don't want to get into the details of finances which I completely understand and appreciate but in general terms how does your revenue break up percentage wise between publishing on Elliot's Blog, domain projects such as Burbank.com or DogWalker.com that you've developed websites for and then your domain name sales, how do the three sort of fill your landscape?

Elliot: Well, in general, before I started developing obviously 100% of my income came from domain sales then I started shifting my budget, my TNL

or whatever to really focus more on development, I figured that's the time I was thinking. You know, if domain sales start falling down, if I stop enjoying the sales aspect, I have no other revenue streams. So, I started thinking about development and I also had the same, around the same time I started accepting advertising on my blog. Essentially was I was dedicating a lot of time to my blog and it just can't justify spending hours a week writing without any kind of financial reward, I mean it just doesn't make any sense. I'm not wealthy enough to say no to advertising. I'm not wealthy enough to spend 40 hours a week writing and researching, commenting, just talking back and forth with people who comment and not generate any revenue. So, to answer your question, I don't really know the exact numbers at all, I mean I could look at them but I think I'm aiming to hit 50-50, 50% domain sales and 50% revenue from my different sites.

Michael: Okay.

Elliot: I don't think I'm going to end up hitting that this year. It'll probably be more like 60-40 in terms of domain sales to revenue from my blog and from other websites like DogWalker.com but the goal is to get to be at 50-50 because this past month I've mentioned on my blog, this March was a difficult month in terms of domain sales. January is great. February is okay. March was just really bad for me. So, that being said it was nice that DogWalker.com had a whole bunch of recurring billing and new advertisers. My blog has the advertising so it's nice to offset the low months because that's the thing with the domain investment industry if you're doing a full time. It's just kind of a roller coaster, one month you could a great sales, one month you could have no sales.

Michael: Yes.

Elliot: So, having the recurring revenue from your websites is important.

Michael: So let me ask you this, so you've told us that you make about 60% of your revenue from the publishing side and the projects like DogWalker.com, Elliot's Blog and then you make 40% on—I'm sorry the other way around, 60% from domain sales and 40% from publishing and website products. Does the—

Elliot: It's hard to predict though because we're in like, we're in March, well, it went April right now, so the year hasn't really taken shape yet—So this is the rough estimate based on—

Michael: Yes, with the estimate. Yes for the readers. And then in terms of the time that you're spending working on each of those, do you feel like it matches? You spend 60% of your time on domain name sales, buying, buying aftermarket sales, hunting down people to make offers, hunting down people to try and make sales and then 40% on writing and—

Elliot: Sad, no.

Michael: And doing invoicing and things like that.

Elliot: No, sadly it's like probably 80% of my time working on my blog in other websites, adding articles to Lowell.com, working on various development projects, like 20% on buying names and selling names, that's sort of easy. Just finding good values. I mean if I find a good value it doesn't take too long to buy it and then hopefully sell it pretty quickly.

Michael: Wow, okay, so you get low cost high reward on the domain names but you're concerned that in the long term, the market may change, domain names may change and so you want to definitely have your long term growth plans in place?

Elliot: Exactly, it makes sense to have revenue-generating sites. And for whatever reason I'm sick or if I just don't, what if I go on vacation for example and I'm not buying and selling names, if I don't have this other revenue streams, I'm not making any money, I can always set up articles, write articles in advance. But I work a lot of hours, I mean work crazy like, I don't work, I'm not like a late night worker. I'm not up until 2 in the morning every morning. I have fairly decent hours of being awake but I mean I work through out the day, so it's a lot of work and a lot of it is on my blog and adding articles to DogWalker.com, doing some research to see what people are searching for on my different sites and adding articles, creating relationships with different companies and different organizations and either

the cities or the Dog Walking, Dog Grooming organizations. There's a lot of work goes into development and I mean not just development but actually building businesses on these websites. So that's where I spend most of my time but it's still enjoyable to buy and sell names, I mean that's kind of, it's just exhilarating sometimes when you close a good deal, either buying or selling, that's what kind of is driving. But it's also still very cool when someone signs up and pays for a listing on a site that I've creative because, I mean that's just cool too but—

Michael: It is, it's a very cool thing when you get the email saying a new payment came in and there's a new customer and you didn't have to really do anything. They discovered you. They saw the value. You clearly articulated it and they signed up.

Elliot: Yes, I mean, there's a lot that led up to that sale probably, just the marketing and SEO work and relationship building, but yes, you're 100% right. It's nice when someone randomly signs up and then pays for a listing because I mean like you said it's kind of, it's not set it and forget it but it's kind of you built something and now people are showing that they actually believe in what you've done which is kind of neat.

Michael: I'm going to dig more into Dog Walker just for people watching this show because I want to find out, you know, you talk about the benefits of being able to go on a vacation and not have to worry about updating the sites and you don't have to post new content like you do on Elliot's Blog everyday but you have other issues like you have to do invoicing maybe if it's not automated, so I'm going to dig into that a little bit more, but I want to talk first about the sort of the sexy exciting part of the business which is buying and selling domain names. So, of the questions that I like to ask successful domainers like yourself. I asked Ron Jackson, Justin Godfrey, I usually ask what makes a good domain name and how do you find it. But instead I want to take it a little bit differently with you. I want to ask you how you find a \$10,000 domain name for purchase and how you flip for \$18,000? So for example, so let's start with how do you find the domain name that's worth about \$10,000, something that you are willing to spend \$10,000 on.

Elliot: Most of the time it's a lot of just research and emails to people, seeing what their price expectations are, like before I send an email I just think of things that are in my head or whatever and just do some whois searches, just jump on DomainTools, do a whois search, if it's private, go on the who is history, reach out to these domain owners and what I think kind of sets my business apart is just based on I have quite a bit of experience buying and selling names so I've kind of established a gut feel which is really hard to describe but a lot of it is based on other comps, market research, seeing what people are buying, coming up with a value in my head and most of the time 99% of the when I send an email I'll make an offer just because I'm sure that if I'm looking to buy a domain name, this owner has probably received hundreds of other emails and dozens of other emails in the past.

Michael: Right.

Elliot: So, that being said, I have a value on my head and generally I'll offer less in what I think is a reasonable price because obviously I don't want to buy, if I offer you \$10,000 for DomainSherpa.com, if I come out with an opening offer that you're going to say no way, no matter what my offer is if I offer you \$100,000 you'll going to say no but if I offer you \$200,000, you get the point?

Michael: Yes.

Elliot: So, the bottom line is I'll reach out and if say I offer \$5,000 for a name I think is worth to me \$10,000 and worth flipping for \$18,000 for example. If you come back and say no way, you can buy it for \$50,000, I know 5,000 and 50,000 hard to reconcile. There's not really chance that we're going to do business, so I'll generally say something like, "Thanks for getting back to me, I appreciate the response but our prices are way different. If you change your mind or if you decide that you want to sell it just give me a call or send me an email in the future."

Michael: Okay, so let me break it down. So, if you find a domain name that you think has a value of \$10,000 that you think you can flip for \$18,000 and make a nice healthy profit margin on, you'll generally make an offer at 50%

of the buying price that you, the highest price that you're willing to pay for, is that a good rule?

Elliot: Usually, between 50% and 75%, it doesn't make sense for me to offer \$1,000 or \$1,500 because chances are good that someone else has done that, so I like to cut a bigger splash and have the person understand that I'm very interested, I've done my researches and 50% of a market value or fair market value whatever is not an insult. If someone offers me \$1,000 for DogWalker.com, I don't want to say it's an insult, I mean it's hard to say \$1,000 is an insult but it shows that someone hasn't done their research.

Michael: Right.

Elliot: So, my offer is kind of in the ballpark range to show that I'm serious. And then negotiate to try to get a deal done for best deal possible.

Michael: Okay, Yes, so for example, if I'm going to buy, you know, make an offer on a house down the street and the house is worth \$400,000, I'm not going to come in with an offer of \$100,000, that's just a waste of everybody's time.

Elliot: And the big difference is there is an MLS of the house. So, even if you offer \$300,000 the person would say, "No way," I mean they probably would even no way, they'll probably say something worse for you, because you can tell that house next door is sold for \$400,000 and the house next to that is sold for \$395,000, so if you're not offering in that range. But with domain names, there's not really an MLS, the comps can be very different but—

Michael: Sure.

Elliot: You just gut feel.

Michael: Will you actually put comps in your email to them to justify the price or will you just come out with an offer?

Elliot: Usually I come out with an offer because the comps would be much more than my offer, well, maybe like maybe double my offer.

Michael: Right.

Elliot: And two or three comps, to me I look at comps in a different way that someone else might look at comps, someone in the cooking business like cooking supplies might look at comps they want to look only at cooking comps. But for me like cooking supplies could be like sports equipment. Things of that nature, just like supplies, medical supplies, just kind of in the same, that to me is like a similar comp versus someone else might be thinking something else. I don't really use comps unless someone's like if it's a name I really want and someone like I really needed, I've got a project and someone's got a crazy number then I might show comps but it doesn't really help my case usually.

Michael: So do you usually reach out to these people by email only or will do who is look up, see the phone number and give them a call?

Elliot: I mean, one, I don't want to say secret to my success but one thing I love getting back are those mailer daemon, unknown returned emails because if I got it, probably 25 of other people got it. And if 25 other people got it, probably 22 of those people said "Forget, move on to the next name," maybe a couple of people called that person. So, I know that person probably hasn't received all the emails and offers that they might have if they had their email working, so then I'll make a phone call. If I'm serious about a name I'll make a phone call too because I find people are less, it's easier to throw out a number like \$100,000 or a million dollars on email but if you have an face to face conversation and it's a \$5,000 domain name or you're having a phone call, people aren't going to be as crazy with their numbers because you can't, I mean it's easy to write out, "Oh, give me a million dollars," but it's much harder to say with a straight face, give me a million dollars for this domain name, you know.

Michael: Right, exactly. Okay. So, you will discover or think about these domain names just in the regular course of your business, going through your life and you'll run across things like Dogcollar.com, is that worth \$10,000?

Elliot: Yes, I think so.

Michael: What about the—

Elliot: For plural of course Dog Collars but Dog Collar I think is worth 10.

Michael: Do you think the plural is worth more than the singular?

Elliot: Yes, but people look for it like, it depends on the search numbers. I don't have Google keyword search in front of me but it depends what people look for. People like, for Dog Walker, people generally look long tail like Dog Walker in San Francisco, Dog Walker on the Upper West Side. So, if I've got those pages on my site, I know we had talked about this yesterday but if I have those pages on my site, chances are good I'm going to rank pretty well for the long tail terms. People don't really look for, I don't think off the top of my head, if I was looking for a dog collar, I'd probably look up dog collar probably the singular but dog collars is great for a story have Dog Collars but dog collar is probably pretty good for SEO, for people looking up dog collar, like red dog collar, blue dog collar or whatever.

Michael: Sure, okay so your point is that you will go to Google AdWords keyword tool and you'll do a search for dog collar (and I am doing this right now) and then Dog Collars and you'll find out which one is searched more and that will be your preferred domain name that one would be worth more?

Elliot: I would say it's probably worth more. And preferred domain name really depends who owns it because if I know Mark Jackson's Dogcollar.com I have no idea who owns it but if I know a company like Mark Jackson owns it or if Frank Schilling or Mike Berkens owns it I know that that's going to be unattainable to me. Because unless I'm going in to the Dog collar business full time it's probably a great name to have Dog Collar or DogCollars.com, probably fantastic, but unless I'm doing that which I'm not it doesn't makes sense to pay end user price to Frank or Mike. And those guys generally to my knowledge only sell for those end user prices because it doesn't makes sense for them to sell them cheap or otherwise. And they need to be—

Michael: Right, okay, and you know I throw up this example -- Dog collar; I have no idea who owns it, if it's a live website—

Elliot: Yes.

Michael: But I just did a Google search Dog Collar the singular has 673,000 global monthly searches, 450,000 local monthly searches, dog collars has less. So, the plural has less, it has instead of 450,000 local monthly searches that's 246,000, so almost a little more than half the number of searches. Big search volume. So, based on that, your gut feel just said, "Yes, I think it's worth \$10,000."

Elliot: I mean at least \$10,000.

Michael: Yes at least.

Elliot: Yes.

Michael: And how can you come up with that gut feel so fast?

Elliot: I just, you know, product names like that I see them at the store 10 bucks a piece, 15 bucks a piece, they really vary, they sell tons of them and just an instinct. I think that I probably, I don't know who I'd sell it to but I think that those two names worth a lot more than \$10,000, probably 40+ plus, you know, just—

Michael: Yes, okay, so you have the idea dog collar is like "I need a new dog collar for my dog Lucy, where is she by the way? Is she running around?"

Elliot: Right here.

Michael: Hey, Lucy. So you have an idea I need a new dog collar for Lucy, I'm going to go buy that domain name. You take a look, it's got at end user. You send them an email, it bounces back, mailer daemon, you know failed. You're like I'm going to give him a call. You call him up, you say I see that you got this domain name and I think it's - I'd like to buy it off you. I'd like to make you an offer of \$5,000. The guy is like, sure, it's yours, PayPal me

the money. Then what do you do? Now you've got the domain name, what do you do immediately after that?

Elliot: Well, in your example, you said that I wanted to build Dog Collar or wanted to sell Dog Collars right?

Michael: Right.

Elliot: So, then I'd figure out how I'm going to do that. I'm going to figure whether I'm going to become a wholesaler, if I'm going to become, if I'm going to set up a shop and do ecommerce and drop shipping or inventory, just depending on what I wanted to do with it. But in terms of, if I—

Michael: Let's say you decide that you don't want to develop out a business that you want to flip, because we're going to get into your businesses. Let's say you want to flip it, how do you find a buyer for that domain name?

Elliot: First thing is I'd do a Google search to see who owns similar names in Google like BestDogCollar.com. See who's advertising Google for that term and similar related terms. I'd see what the search volume is. I'd kind of estimate how much they're probably paying a month in AdWords and then just use all that information to email these people. For a name like that, I'd probably contact some of the bigger companies like Pet Co, PetSmart. I'd talk to my friend Alex who owns Dog.com. Just kind of talk, just seeing who's spending the money on Dog Collar keywords then I—

Michael: Okay, so I did the search, I see HotDogCollars.com, I see CaliforniaCollarCompany.com, I see SwankyPet.net, I see UrbanPup.com. So basically you're going to go out to each of these and you're going to say, I've got a fantastic domain name for you. It gets ton of traffic. It's a great way for you to brand. You throw out all the benefits. Do you throw out a price or do you say make me an offer?

Elliot: Well, I'll tell you, just with my business model, it's churn and burn basically, I still do that. But I do like, I focus on a few domain names at a time, generally between one and like four names at time because I just want to stay as liquid as possible for big acquisitions.

Michael: Yes.

Elliot: So, what I'd probably do is reach out to some of my clients, mostly domain investors who have big portfolios and I'd say, "Hey, I've got this name. Would you be interested at X price?" Whatever the price is, which would be less than I'd sell it for to an end user price. I understand their model is a little different than mine. They have the ability to buy names for higher values than I would and they probably have their models on how much it makes and whatever. So, I'd offer to sell it to them for probably a lot less than I'd sell it to an end user. That being said if none of them were interested in the name or the price, I'd reach out to the people that mentioned and generally, I just did this with BikeTour.com and BikeTours.com.

I reached out to some of the top AdWords buyers and couple of bike organizations and just send them an email said I've these two name, I think they'd be great for your company. Please submit your best offer. You know, sometimes, depending on the name, if it's like \$2,000 or \$3,000, I'll name my price but names that I feel are significant value, I don't want to name my price because if someone could come back, someone with experience come back and say "I'll give you \$50,000 for those two names," whereas someone else could say, "I'll give you \$500." So on significant names, I generally don't price my request just an offer, the best offer.

Michael: So, if you try and churn and burn it and you contacted a few of your domain investor acquaintances, friends, colleagues, do you set a price with them? Do you say I bought Dog Collars—

Elliot: Yes.

Michael: You know you bought Dog Collars for \$10,000 let's say you'd sell it to an end user for 18, might you say you, I'll sell it to you for 14 or I'll sell it to you for 12 and suddenly you got \$2,000 profit immediately.

Elliot: Not even really like that. Generally I'll just say this is my price and—

Michael: Okay.

Elliot: Most of the people I do business with, they really, they know the markup. They have their own valuation methods. Don't know if I've got a pie in the sky. So, for domain investors who know that the market place and their comps and looking the same comps are the looking at the same thing as I am. I'll just say, "This is the price, are you interested?"

Sometimes they'll say, no it's a little too high for me and then we'll negotiate but for the most part, it's like this is the price. I live like we talked about, I mean I'm not making a killing on these names that I flip but I'd rather flip for a small profit in 2 days than wait 6 months or maybe never to get that big profit, so—

Michael: So, what's a small profit for you? Is that a mark up of 20%, 40%?

Elliot: It depends, there could be like a 10% mark up. It really depends on the name. But generally speaking, it runs again from 10% to like 40% depending on the name and the price I paid and whatnot. But—

Michael: And you mentioned that everybody is looking at the, you know, for the domain investors. Everybody is looking at the same comps as you. Where do you go and look at your comps? What's your favorite tool for comps?

Elliot: Probably DnSalePrice.com. DN Journal, obviously, but often times I'll just do a Google search for the name in quotes and the word sale just to see how much it sold for in the past to see similar names. I have a pretty good memory when it comes to old sales into auction prices so, sorry the dog. So, generally speaking, I'll look up something I'll know what kind of comps are around, if it's sold publicly in the last couple of years, I'll probably either know their price in my head or have an idea of the price where at least know it's sold.

Michael: Yes, okay, so if you flip it to a domain investor, you're turning around that deal in 2 days, life is good. If you have to go to an end user, what's your typical cycle time to close a deal with an end user?

Elliot: I mean anywhere from same couple of days to a few weeks. It really depends, depends.

Michael: And after few weeks do you then take that domain name, put in the back of your portfolio and pick another name that you're actively working?

Elliot: Yes, I mean if like, I'll give you an example. Horstable.com was a name that I tried to sell to end users. I didn't have much luck, put it at, like a year later or 6 months later whatever I put it at auction just to recoup some of my investment. It was just, I tried to sell it, I didn't have very much luck end users or domainers and I think it's a great name, I still do. But it was one of these things where I was like, you know I'll just try to get as much of the investment back as possible because it's not doing much for me right now.

Michael: Yes, but if I told my 8 year old daughter that you own that domain name, she'd want to buy it immediately but she only gets \$3 allowance per week, so that's not going to work unless you finance it.

Elliot: You're ripping her off.

Michael: Okay, so when you're selling to end users and you don't name a price because you think the domain name is worth say \$20,000, they don't know the value of domain names, so what if they come back and offer you \$1,000 because all they know is buying domain names on Go Daddy for 10 bucks?

Elliot: Right. Well, if they do that, depending on the name and the person and the offer. I mean a \$1,000 for a \$3,000 name or \$5,000 domain name isn't a bad offer, but if you're offering \$1,000 for a \$50,000 domain name then it's kind of like, you know as much as I'd like to educate them it's likely not going to get them up to \$50,000. They're not going to look at the comp. They're not going to look at a comp sale and say, "Oh, you're right, so I'll just give you \$50,000 for it." Just didn't work that—

Michael: Right.

Elliot: At least for my sake. But if it's close, I'll send them some information. I'll send them what the AdWords costs are, how much I think they're paying for AdWords or ask them I'll say straight up will say, "How much do you pay for AdWords a month for this keyword?" And say they're paying \$200, you'll say, "You'll say you're paying \$200 a month for this keyword, you could have a site on this name, you could build it out, you could do it as a small portal or you can just forward the traffic whatever it is. And it will end up saving you this much money over 3 years." I'll make a business case. If it's worth the time, if I think it's worth the time to sell it to this person, if I think it's a good prospect, I'll do some research and give them rationale for why it's worth what it's worth.

Michael: Got it.

Elliot: But sometimes even when you tell these people and you give them a great business case for buying it, just they'll say, "Thank you, you're probably right but I'm just not going to spend \$25,000 on a domain name."

Michael: Yes.

Elliot: So, one thing which I think is key is never lose your cool when you discussing or when you're negotiating. Even if you want to flip somebody off or call him every name under the sun, I mean that doesn't do you any good at all, so—

Michael: Right.

Elliot: I've people come back to me on the past where we couldn't reach a deal and I said "Thank you anyway, thanks for your time" And then a few months later they got back to me and were interested again. Sorry, this is Lucy, she likes you.

Michael: I love those, my dog tears through them.

Elliot: She does too.

Michael: Alright, so you've got a great idea for a domain name, you found DogCollar.com, do you decide if you're going to flip it or develop it before you make an offer?

Elliot: Yes, pretty much.

Michael: And how do you make that decision?

Elliot: Well, just doing some research, do I want to get into business, like I've done enough sites where I know what's going to go into how much effort, how much time, how much money is going to go in to building it out and making it a site that I'd be interested in. And I also consider things like how much money is the domain name going to cost me, is it worth keeping? Say a \$10,000 name, is it worth keeping \$10,000 in the sideline in this investment for 3, 4 years that could take to start really generating a good return on the investment, plus like my time. I don't have much more time at all as is, so I don't think I'm going to embark on any new projects right now.

Michael: Right, and I don't know you manage all projects you have, you know, I've got DomainSherpa, I've got a couple other real small things, some consulting work I'm doing and then I just bought a domain name that I'm going to build into another magazine in January and I barely have time to do that. You've got like 5 times as many domain names under development, how can you even look at domain names for purchase and development when you have other ones that you're currently...

Elliot: Well, I have a very understanding wife, I'll say that. She's fantastic. Sometimes like last night, she was watching Grey's Anatomy, we're hanging out and I was doing some research while we're just watching the show together. So, she's really understanding of my business. She knows that it takes a lot of time to kind of grow the business. So, that's one way but in general I'm not starting any new projects now. But Burbank.com, we touched on that. I'm working with Fred Mercado's Scotsdale.com City in a Box and they really do everything. They give me some reports. We were just talking about doing the best of Burbank type of awards. So really, they do all the management, the site development, things of that nature, sorry Lucy stop.

Michael: Oh Lucy.

Elliot: She's trouble, she wants the attention.

Michael: Yes.

Elliot: So, I kind of try to outsource in that respect on things that I don't have time for. With Lowell.com for example, I've got a lot of people who contribute articles, the only thing I have to do is hit publish.

Michael: Oh, that's great.

Elliot: Yes, so it's pretty simple with that. I'll get email submissions from the national parks here with the Lowell National Park Service and they haven't signed up to add this stuff to my site which is a little frustrating sometimes but it's one of these things that I'm happy to do it because it drives traffic and interest to the site. People know that they can get accurate event information and it gives them, they like the traffic that it gives them, so it's kind of one these things. But it doesn't take very long, each of these websites, DogWalker.com doesn't take very long to add articles, research what kind of articles I should be writing. The biggest project I guess is definitely my blog without a doubt.

Michael: Yes.

Elliot: I probably spent 30 or 40 hours a weeks, writing articles, researching, responding to comments, approving comments, things of that nature, so—

Michael: So, I want to talk about DogWalker.com but first let's just start with the geo. You've got Lowell.com, you got Burbank.com which a great brand. I grew up in California so I know it, but Lowell.com is a little bit, you've worked on it personally so I want to ask you about that. The purpose of the site is to be everything Lowell, Massachusetts right?

Elliot: Exactly.

Michael: And you grew up close to there or in the city so you know it?

Elliot: I grew up about 30 minutes north of Lowell so I've grown up we only go when we travel down south like we'd pass it all the time, very close to me. There's some shops that we used to go to in Lowell so I know that—

Michael: Okay, so I got some research on Lowell. It's got a population of 105,000, 38,000 household, the average household income is \$55,000. If you go to Google AdWords your paying \$1.53 for a top ad, at the cost per click, and it gets about a million average searches, I can't remember per month. I'm not sure if it's global or the keyword global gets about a million global searches. So, you've got to define market place, you bought it in 2008. I saw online, I know you don't like to talk about details but this was public information. I saw online that it's sold in 2008 for \$50,000, was that your purchase?

Elliot: That was.

Michael: So, you decided that wanted to own a large city in the US with a relatively large population, good household income, you wanted to develop out to this Everything Lowell website. You ran the numbers and you know, you strike me as a businessman, so ran the numbers and you figured out you can get a return on your investment from this.

Elliot: Well, I think that acquisition more than probably any other that I've made was more based on, was a lot based on like my just a gut feel, my I mean I love history, US history specifically, Lowell has it's place in the industrial revolution. It's close to where I'm from. There's tons of history. The mills are there. So, that's what really struck me. When I started looking for a city name, I wanted something with a little bit of meaning because, well to me personally I wanted something with meaning. And the big paper corporation owns the city where I grow up in so that was out of the question. And then actually Rick Latona emailed me and said, "Hey, I've got this name, are you interested in buying it?" and I was like, "Yes," so it worked out really well.

Michael: So it's got some personal appeal to you.

Elliot: A big personal connection. It just you know, I like the city. They're kind of always been an underdog city. They've got the Lowell Spinners affiliate which is a single affiliate for the Red Sox. I'm a diehard Sox fan. Well, it's not really dying hard lately, it's pretty good. So you know, I had everything that I really, I've got the Massachusetts connection. That was really more of a personal buy and I haven't really regretted it too much. Except when I was developing it was lot of work but other than that.

Michael: And so when I go to Lowell.com and I've got it up here on my website I've see things to do, you've got city of Lowell demographics, you've got fun facts, history, you've got Lowell news, people that want to visit, you've got information, you've got a directory of hotels, jobs, restaurants and businesses. It's seems like it's a great destination place for anybody Lowell whether they live there or they're going there and it appears that you make money via placing advertisement with local businesses.

Elliot: Correct.

Michael: Okay, and do you personally go after each of those local businesses and ask them to sponsor?

Elliot: I did when I first started. That's probably the biggest thing with geo domain names. The people I find there are most successful, the ones that either live in the cities, live next to the cities or have teams on the ground, I don't have any of that. So, when I started I was all gun ho about. I had all these information, write up all these articles, had other articles written, developed I think a pretty decent looking site (that was thanks to my designer) I had nothing to do with that except for approving it.

Michael: Except for approving, yes.

Elliot: Yes pretty much. But I build just little ton of research on it and then was gun ho and started going out and got a couple of hotels to advertise. And then I've realize how difficult it was because the local newspaper has people going in and they've got a account rep, so it was really tough for me. So, in the past year or so I think probably longer than that, probably past year and a half, I really haven't done much soliciting for advertisers, I've just responded

to queries and like the Lowell General Hospital advertises on the site. They've got 50% of rotations on the top banner. And their ad agency emailed me and contacted me and said we'd be interested in placing an ad, so that worked out. I've got another ad for an apartment company. They emailed me. They have emailed me some news articles in the past and I published them on the site obviously for free. And they emailed me last month about advertising and they just signed a 6 month deal with me, so with the site.

Michael: So, why not go to Craig's List, post a local ad saying you're looking for an account rep that lives in the city and then give them a commission of everything they sell and they can walk business to business with the print out of your webpage and say you can have major promotion on Lowell.com?

Elliot: It's a good idea, my biggest couple of issues are that 1: I don't want someone to go out and try to commission, so I have a limited amount of space for advertising, I think I probably have 3 spots open right now for ads that aren't paid for.

Michael: Okay.

Elliot: Just on the top section. So, they wouldn't really have that much of an opportunity to sell ads. Then the directory I think is about \$199 a year. So even if I give \$100 per directory listing to sign up, they'd have to sell a lot of directory listings to make a decent amount of money. And the problem I find is that, it's just my personal gut feel, there's not too much that would prevent someone from going to all these business and saying, "This site gets \$100,000 of business a month," you're going to get tons of traffic, all this kind of stuff, sign up, pay for ads, I get the ad revenue, I give him the commission, he disappears and then I'd get all this complaints from people saying. "Hey, you promised me all this traffic and all this money and now it's nothing." Soon I've got that problem on my hands and I'd rather spend my time on other things than getting advertisers for \$199 a year. I'm not a wealthy person by any stretch at all but it's tough to get these advertisers to pay \$199 a year. It takes a lot of effort and it's probably a similar effort to buying and selling a domain name which has generally has a greater profit margin and that's a one time deal usually. You buy a name and if you're

buying from a guy who's got a couple of names you're probably not going to do business with that person again.

When you're selling a name, it's usually, if you're selling another domainers usually like very quick. With advertising, people will say, "Hey, I want to change my ad. I want to do this. I'm not happy with how it's going or whatever," and there are just so many different things that are not controlled and for that \$199 is not worth, I mean it's terrible to say and I'm sorry for saying but it's not worth the effort in most cases to go out and get those advertisers. And I just don't trust, I don't know anybody well enough or whatever to trust to someone who's going to sell those ads. So, generally speaking, I'll sell ads and talk to local businesses who are interested who've come to me.

Michael: Right, I understand. So generally, you're saying if the ad price is lower, it's 50 bucks a year, a couple of 100 bucks a year, let's look at in a yearly basis. It's not worth it to go out and sell it. You'll build a site, you wait for advertising to come to you, realize the value and then you'll close the deal then.

Elliot: That's really for that site. And that again it comes back to how many projects I have. If that was my only, I truly believe that if that was my only website and I was living closer to Lowell, I could make a business out of it for sure.

Michael: Yes.

Elliot: Especially, with Newburyport.com, Newbury Port is a great summer city. I've got Newburyport.com and it's a very big touristy city. So I think I could make a living probably doing just those two websites and promoting those sites but unfortunately I've got other projects that take precedents, so—

Michael: So, yesterday, when I did the pre-interview, you know Elliot you were very kind to sit down with me pre-interview. I usually said the pre-interview is going to be 15 minutes when I try and determine what we're going to talk about, what's going to be the focus of the interview, what's going to be most interesting to readers and then we sort of got into a

conversation, 45 minutes later, I was loving the conversation but I said we've got to stop it because we're talking about everything before we actually get to the interview.

One of the most interesting points that we talked about was I said, "Let's do an example because I learn through examples. Let's take your Lowell.com and let's do it on the city that I live in and then you walked me through a fantastic tutorial." So, what I'd like to do is I'd like to stop the geographic and realizing that our readership wants to have a contained interview of less an hour, they've told me over and over again. I'm going to stop the geo right here. I want to go to your niche domain DogWalker and then I'm going to wrap up the interview. But if you have time I want to speak to you for another 10 minutes and I'm going to break it up into a separate interview. It'll be sort of a tutorial for how to buy your own city domain name, what to pay for it and how to build it out like Lowell.com. Are you cool with that?

Elliot: Yes.

Michael: Do you have time to do that?

Elliot: I think so, unless my wife calls, because we're headed out but yes.

Michael: Alright, that's the intention. I'll try and break it out if Elliot has time. So let's move on to, so before we move on to Lowell, so we talked about how you bought it. Are you cool to talk about how much revenue you bringing from Lowell.com?

Elliot: Again, I don't like to talk about specifics on how much revenue I'm bringing from my sites but I mean the banners is - the 125 banners at top are like 99 bucks a month and the directory listings are like close to \$100 a year.

Michael: Okay, so let them do the math.

Elliot: So, it's not, yes, I mean, I'm not making a fortune or anything like that and it's paying for some of my time. I'm definitely making more money from the advertising that I'd make with that \$50,000 sitting in the bank with

interest. I'm making a lot more than that I think. But yes, it's one of the things I just don't like to talk about—

Michael: Sure. How many years is it going to take you to get return on your investment of \$50,000 for buying the domain?

Elliot: 100 years, probably, honestly I have no idea. I don't know, I mean if the Lowell Sun decides that they want to buy it or something, they could come out and make a huge offer. If another newspaper in town, well, if another person in town wants to start a newspaper and they want to make a significant offer, they know what I paid for it. They can probably tell that I put a ton of time into it, just not one of these things that it's, I like Lowell.com and it'll take a while to return the investment and I probably over paid for it but that's okay, that's kind of a nature to business.

Michael: Alright, and you built it on WordPress framework and it's easy to populate because you have a nice user interface.

Elliot: Yes.

Michael: And how do you get traffic for Lowell.com?

Elliot: Most of it is search traffic.

Michael: So, you're writing good content, your search engine optimizing the title, the description, the H1 tags and it's naturally occurring through Google and Bing and other search engines.

Elliot: Yes, a lot of information I have is stuff that people are looking for. They want to know about an exhibit, they want to know what time the Spinners game is, they want to know what stuff is happening at the Spinners game, things of that nature, things that people are searching for. So, most of the search engine optimization, I've got some links from other local sites, so—

Michael: How much did it cost you to have a writer develop all the content with all the details and everything?

Elliot: I have no idea. I have redeveloped the site 3 times just to get where I'm at and it was expensive. I don't want to think about that.

Michael: Okay, let's move on to your other niche, DogWalker.com. I recently read on your, the purpose of the website is everything dog walker. So, I'm in Seattle, I'm going out of town or you got a new job that takes me to a different part of the city, I need a dog walker. I got to Google, I type in Seattle dog walker, that's 3 separate keywords. DogWalker.com shows up because you've got an optimized page for dog walkers in Seattle. People buy their listings on your website to be highlighted and then you refer me as the customer to the dog walkers who are paying listings and the people paying listings pay \$50 a year. Do I have that correct?

Elliot: Sort of, I mean yes, almost 100% accurate except I don't refer people to the dog walkers, they're just listed, so it's not—

Michael: They're just listed, okay.

Elliot: I personally, I don't have any involvement; there's no referral fee or anything like that. It's just the dog walkers pay for a listing. They create their listing. I approve the listing once they paid and then people will search by zip code and neighborhood sometimes depending on the city and not in city.

Michael: Is there an automated process to pay like if—

Elliot: Yes, everything—

Michael: I submit a listing in PayPal and suddenly it just shows up in your queue when you need to approve it.

Elliot: Exactly, I get an email that said a listing was sent and then I get an email that says the payment was paid and then I go in and approve the listing to make sure it not spamming or whatever.

Michael: Sure, and then are you using PayPal for your payment gateway or a different payment system?

Elliot: I use PayPal.

Michael: Okay.

Elliot: I just don't want the security issues of potentially hosting that stuff on my own and you know for the 4% that they charges, I'm fine with it.

Michael: Definitely. When did you buy DogWalker.com?

Elliot: I bought it I think November of 2009, I bought it.

Michael: And how much did you pay?

Elliot: Confidential, sorry.

Michael: I thought I'd get you on that. Alright, and you've built that on the WordPress framework as well?

Elliot: I did. Well, I didn't build it myself. Firstly, my developer did and I think he did a great job. I love, I mean I can be a little bit modest for him but I think he did a really good job. It's exceeded my expectations and I've received a ton of emails from people asking that to copy or to take the theme so I know other people like it as well.

Michael: Yes, I was going to say that. I haven't a framework like that that allows all integrated in with payments. Why not wrap it up and sell it to other people that are interested in developing that domain names to be directories?

Elliot: I don't want to be a service provider. It's just I don't have the tech expertise that doesn't, like there are few known bugs in that with WordPress and that. It was a highly customized, very, very customized template. It was the classified theme that he used and he totally modified it, so there are few bugs that exist that we worked out but there are still couple of bugs that exist that are still on going. And you know, I just don't want to sell something that's not 100%.

Michael: Sure.

Elliot: Now I also just don't want to keep on asking, having questions.

Michael: Yup, that makes perfect sense. And then WordPress keeps coming out with their security updates and the major updates and so many things not working on your website and—

Elliot: I'm not looking to become a service provider.

Michael: Definitely. So you've got a fantastic directory, and everything's open except people can't submit their directory listings without paying.

Elliot: Correct.

Michael: And so a lot of great search engine optimizations, so you architected it mainly for search engine optimization purposes by city name or by state or how does that work?

Elliot: Generally by city.

Michael: Okay.

Elliot: I don't know if my architected did it that way but it's just kind of how the nature of how people are searching, so that's how people have their listings so it works out that way.

Michael: Right, and how do you get traffic to the website so that the people paying for directory listings are happy with number of referrals they're getting?

Elliot: Definitely. Well, I have a ton of relationships established with various dog walking organizations, dog head organizations. I do a lot of advertising on my AdWords buying. A lot of SEO work but just generally like tons of advertising and trying to—

Michael: So you'd pay for advertising in order to—

Elliot: Yes.

Michael: Okay. So, if I go on your website and I look and I see that you hit a major milestone, you hit 500 paid dog walkers in your directory. Over time, I see that they're paying about 50 bucks a years. Maybe not all of them are renewing but you've a nice recurring revenue stream business here without a lot of work but—

Elliot: Yes and in that 100 it also includes some renewals as well from the first 3 months of the year.

Michael: Sure.

Elliot: So it's total listings.

Michael: Total listings, right. But you also have some expenses. You got to pay for your hosting. You got to pay for your programmer to fix the website when something breaks and upgrade happens. You have to pay for new articles maybe. And you have to pay for advertising.

Elliot: Absolutely.

Michael: Okay, so what's your biggest expense would you say?

Elliot: Advertising is definitely the biggest expense and then next is probably the tech development stuff. Just the other day we added a feature where people can change their photos on their listing, that just wasn't made possible with the original theme. So that was done, just various things that, I mean it just like a house, there's always things that you still need to be updated, the articles as well. It's just, there are lot of, not huge expenses but there are lot of expenses every month that needs to be taken into consideration.

Michael: Sure. And so before you became a domain investor you actually had a background in marketing for other companies.

Elliot: Correct.

Michael: Has that benefited you tremendously as you go forward as you go forward and try and market DogWalker.com and trying to find deals and find the best return on your investment?

Elliot: Excuse me for one second, the dog. Sorry about that.

Michael: You know that happens to me too and I hate it when my dog, we've got this like TV cabinet that it used to be an old coffee table and my dog's balls and [dog toy 58:02] would go underneath it and then he bark at me and I've got a Doberman and he's not a quite barker and so annoying. So we just got a new little coffee table that has a skirt so now things can't go underneath it.

Elliot: Nice, it's smart. Good thinking. Yes, she's crazy but at the marketing side of things. Yes, I think that my background in marketing is helpful. It's definitely for financial purposes, just knowing what I should be paying for per customer because the advertising isn't generating revenue for me. It's not like bring, if you're looking for dog walker, you're not bringing revenue for me but it's giving value to my actual advertisers who are then going to renew because they have listings.

Michael: Right.

Elliot: Because they've received business as a result.

Michael: Right.

Elliot: So, I mean that's really the most important thing so I wanted them to be happy. I don't want to take \$50 from them and have them hate the site. I want them to become customers and renew every year because they've received 2 or 3 pieces of the business because of it.

Michael: And what percentage of your monthly customers renew every month? Is that a metric that you track?

Elliot: I should be but I don't really track it. I think it's probably around, I mean a lot of aren't on their subscriptions. I'd say probably 70 or 80 %, I really don't, it's just like off the top of my head, I don't know. I should be tracking but it's one of these things that I've got a great spreadsheet where I track who's paying but I just haven't really done that calculation.

Michael: Sure, no worries. So, knowing how much revenue you have and what your expenses are and what your profit is. Do you have a target advertising budget in mind for DogWalker.com? Do you like to say, you know, I'm going to spend Google AdWords but I'm only going to spend \$200.00 per month and you know I spend another \$200.00 in various things like I try Facebook advertising or I try this advertising.

Elliot: I should, I don't. It's, one of the downsides of having Lowell.com, Burbank, well not really Burbank.com, Lowell.com, Newburyport.com, DogWalker.com, Dog Walker is my blog. It's like one of these things that, that's kind of something that just really goes by the way side. Generally speaking, I'll email different websites that I want to advertise on and I'll say what's your rate and they're like \$50 a year, \$100 a year. I'll do it both, like depending on which website there is but a lot of times it's non profit orgs that I can actually help donate to, like for saving just different shelters and rescues. Just making a donation to help their organization and just they'll give me a banner space because I'm supporting them. So, it's really a win-win because I'm helping promote DogWalker.com but I'm also helping some of these dog organizations save dogs and feed dogs and just do various things so it's fun of a feel good thing.

Michael: Great, it's a great idea. Okay, and so you also talked about needing to do content updates, you know your website needs to be alive, it needs to be breathing, so you do content updates on Lowell and DogWalker.com. How do you get your content? How much do you pay and—

Elliot: I use TextBroker.com, I love their service. I think I probably had dozens and dozens of articles. I probably had couple of hundred articles written, maybe more. I've only return like 2 of them for corrections. So I'll pay anywhere between \$5 and \$10 an article—

Michael: Wow.

Elliot: But one thing about me is I don't like to post the articles as is. I like to make changes to the articles because I wanted to feel like it's from me. I want to say I've never ever post, I've never paid for an article for my blog, which is like I think it's too much of a niche that if I posted someone else wrote people would know very quickly.

Michael: Sure.

Elliot: So for my other sites, I've used Text Broker a lot. Just general how to - how do you walk a dog in the snow of things like that that I think people are searching for and just—

Michael: And how often do you update the content on say DogWalker.com?

Elliot: I think there are probably 3 articles a week.

Michael: Wow.

Elliot: Yes.

Michael: Okay.

Elliot: Well, as we were talking about yesterday, a couple weeks before Christmas, maybe week before Christmas, I thought to myself, you know people probably wonder how much they have to give to the dog walker as a tip. So, I wrote an article about that and not only did I get a ton of traffic, but one thing I didn't mention well ton of traffic I get a few hundred visits. One thing I didn't mention to you was a reporter reached out to me last week and she was writing an article for a magazine, it's sort of like a mid major magazine you could say. I've heard of it. It's like a ladies' magazine I think and she's was just asking for advice on how much people should be tipping their dog walker. So I reached out a few of the dog walkers that are advertising on the site and say, "Hey, how much do you generally get for tips?" so then I put into a small piece and send it to her and hopefully she'll write something about DogWalker.com.

Michael: Great, yes, nice to be out there and get those promotion through other media sources.

Elliot: Definitely.

Michael: Okay, you've provided a lot of great information here Elliot. I want to, I'm going to conclude this interview but I want to keep you online and we'll do another short little piece on buying a local domain name.

Elliot: Sure.

Michael: But I want to wrap up this main interview with one last question. You said earlier on in the interview that you've purchased domains in the aftermarket that you lost money on. Can you give me an example of a domain name that you've lost money on and you know, not necessarily talk about how much you lost on it or anything but have you learned that's prevented you from losing money now?

Elliot: Well, Horstable.com is name I lost money on. It's just really one of these things that it happens in business, cut your losses sometimes. To me, selling at auction for a couple of thousand dollars at the AfterMarket.com auction, that domain roundtable was worth taking the \$2,000.00 that I got back worth \$2,400.00, whatever it's sold for. It was worth rather than having this name that wasn't really doing very much in my portfolio. I didn't really enhance it. I was never going to develop it. So, I figured how to cash back for other investments. It was kind of annoying when you make poor decisions like if you have stock and you, even if there's hope for the future, you think it's worth more than what value is. Sometimes it's just depressing to look at it everyday in your portfolio or whatever and so I got to that point I was like you know what, I just don't need to keep this any longer. I'll put it to auction and see what happens and I lost money on it, so just kind of live and learn and I don't know if there's much to learn from that but—

Michael: How do you know not to buy another Horstable.com in future? You know your research clearly led you wrong right? You did research on it.

You thought it had market. You thought it had a good cost per click but it didn't.

Elliot: Well, I mean it got a decent cost per click but just not a lot of traffic, but you know just kind of keeping buying and it just, it's a gut feel, I mean, sometimes you, it's a significant amount of money but it's just a gut feel and make more than you lose. So, I don't know how really else to say it. It was too bad that I did take a lost on it but at the end of the day just you'd have to realize that sometimes you're not going to sell everything. And from my business, it's just to catch business and got to keep the flow going and if names are under performing and they're sitting on a few thousand dollars and they're not selling then or they're not selling for the price that I want them then just sell them and get rid of them and know that other deals are going to make up for that loss.

Michael: Good advice. Again, Elliot's Blog is located at www.elliotsblog.com. You can follow Elliot on Twitter at [elliotsblog](https://twitter.com/elliotsblog). Any other way that people can contact you if they want to follow you or thank you for your time on this interview, Elliot?

Elliot: Well, my information is pretty public. Emails, I don't really keep privacy on my domain names except for a couple, like Lowell.com because people are just spamming the heck out of it but aside from that, I thank you for taking the time to interview me. It's an honor to be on your show and I appreciate it. And yes, if people want to email me if they have questions, I'm happy to follow up, I'll try to response as many emails as possible, I mean I respond to you just by every email but sometimes they're emails trying to sell domain names and you know, I can't respond to everything but I do my best to respond to everybody and answer questions because there are a lot of them. I appreciate your time here.

Michael: Thank you so much Elliot. Thanks for doing the interview and thanks everyone for watching.

Elliot: Thanks. Thank you for watching.

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