

### How Frank Schilling Values Domain Names with AMR and ADT

Watch the full video at:

<http://www.domainsherpa.com/frank-schilling-domain-valuation/>

Do you wonder how Frank Schilling prices domain names? What criteria he uses to value domains? And how much art versus science is involved? Listen in as Frank tells us which domains to drop and which he would swing for the fences on. Stay tuned.

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

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

Second, if you're buying or selling a domain name or portfolio and you want an estimate of it's value, Estibot.com is the place to go. Just like you'd visit Zillow.com to get an estimate of a house value, Estibot.com provides key information about the most important statistics so you can make an informed decision based on data.

Finally, whether you are buying, selling, brokering or financing a domain name you need an escrow company that is properly licensed, bonded, insured and audited. That company is Escrow.com and they have been doing it since 1999. Escrow.com - it's about trust.

Frank Schilling: Great to be here. Thank you for having me.

Michael Cyger: Frank, it is great to have you. Like we discussed right before I hit the record button, I want to know if you got your valuation chops going, or is it just Jeff Gabriel and the other team members that are pricing all the domains nowadays? So, we are going to.

Frank: Hang on just one minute. Jeff is coming here, asking me for a price. One second.

Michael: All right, and of course Jeff has been on a Domain Sherpa Review in the past, so we know he has got his chops all honed up. Frank, I asked you right before the show, "Do you have everything you need for the show, since this is your first time. Do you look at the EstiBot data that we provide, which has the number of advertisers, the number of search volume, and the cost-per-click," and you said to me, "I only have two criteria, Mike." Right?

Frank: Right. I do not use any of that stuff.

Michael: So, you have been domain investing for a couple of years, Frank, as I see in your Wikipedia page. What do you do for valuing domain names?

Frank: So, some of it is basically built-in knowledge. You just know. Okay, you understand the keyword weight and the gravity of the name, and that is very touchy-feely. That is the art of the domain name. And I would say it is really 85 percent art and only 20 percent science that goes into domain names. You have to look at it. You have to feel it. There are names that are just transcendent. You know them when you hear them. You have seen them. You have been in the industry long enough. These things come around like Halley's comet.

You would be like: "Oh, I saw this 30 years ago. I remember this." I have a good long-term memory, but the two criteria I use that are more technical, the math of it, the 20 percent that is not art, that is more science are something that we in-house call AMR and ADT. And that is average monthly revenue on PPC and average daily traffic. ADT and AMR. And so, average daily traffic: how many uniques a day is this name getting on average? And that could be on many names. That is only a fraction of a unique a day. It just did not level type-in traffic, but it is a very good tell as to the resonance and gravity of the name and how strong it is in hearts and minds of people.

And then, on AMR, again, in the difficult, difficult, difficult days of PPC, when nobody is making any money with PPC, including yours truly, you can still get a (Unclear 2:24.2) level of what CPC is bringing, and that is a tell as

to the amount of bidders. It kind of does a lot of what EstiBot does because, as you see a lot of ADT numbers over and over again, you get to kind of see. Oh, this one is higher than that one, and so on. You get to see patterns emerge. So, I use AMR and ADT as a guidepost, and then call on my years of experience because this is all I do every day.

Michael: Yeah, sure, but let's say that I am like every other investor out there. I have got a bunch of domain names. They do not make much. I do have my domain names parked at DomainNamesSales, InternetTraffic.com, and let's say that one of my best names, let's say, gets probably 50 uniques a day. Maybe earns one dollar or two a day for me. How would you use those two pieces of information to price that domain?

Frank: Now, again, I said that is 20 percent of it is science. Would you mind sharing the name?

Quick break from three sponsors of today's show:

First, are you tired of being up-sold and cross-sold when you buy or renew a domain? Then try the newest registrar being built from the ground-up with a beautiful interface, competitive pricing and 24/7 support. Uniregistry.com will surprise and delight you. The right domain name can change your life: Uniregistry.com.

Second, need a broker who's eager to do whatever is required to sell your domain names regardless of price? Then you need to contact Houghton Richards. They specialize in exact match, keyword-rich, geo and new gTLD domain names, and they sell more than 1,000 a month. Visit HoughtonRichards.com and tell them the domain you want to sell today.

Finally, if you're buying a domain name from a private party and want to know what else they own, DomainIQ.com is the tool you should be using. View their entire portfolio, filter by Estibot value and be a better investor. \$49.95 for 250 queries per month. Visit DomainIQ.com/portfolio to learn more.

## DomainSherpa.com: The Domain Name Authority

---

Frank: Now, again, I said that is 20 percent of it is science. Would you mind sharing the name?

Michael: Sure. Diagnose.com, let's say.

Frank: Okay. Well, that is a terrific name. So, now you could see that the name has keyword weight and gravity, so you can see that is a real name. Somebody is typing that in. That is not mechanical or bought traffic. The name is not XR7-4, because that is a different type of name that would get that AMR and ADT footprint.

Michael: Right.

Frank: But you see that it is really good that you bought that up and it is parked with us, so that you can see the AMR and ADT on it. 50 uniques a day tells me that Google is likely discounting that a lot or just not optimizing it well, because diagnose is clearly such a resonant keyword. And then, on the other hand, it could be that the drug companies do not want to advertise on the domain, and so they are discounting it, so it is not getting its full potential or oomph of what it could.

Michael: Yeah.

Frank: But the ADT, the traffic is like off the chart. 50 uniques a day in a world where everybody is on apps and supposedly everybody is on YouTube and in the portals like Facebook and Twitter, 50 people are so passionate about diagnose that they would type the name into their address bar and end it with .COM every single day. That is a strong footprint and a great tell that you have an incredible name. So, you couple the 80 percent of art that it is a homerun name, and then you couple it with that signature of traffic and revenue, you can understand why the revenue is low and undervalued at the moment, so you just discount that and then you price it accordingly, based on its traffic and what the potential is.

Michael: But 50 a day. How do you price a domain name based on the unique visitors if you know that the AMR is discounted for whatever reason?

Frank: I just price it. I do not sell based on the traffic revenue. So, I will do this. Let's say I own that name. Right now somebody came to me and said, "I have got an offer on this name." To my way of thinking, I would price that name probably, Diagnose, at 130 thousand. And the reason I would do that is you have got to leave a little room for the next guy to make a buck. And then, at the same time, they are going to make you another offer and then you have the luxury of feeling it. Did they come back at 90 thousand? You know okay, this guy is legit, in which case maybe you do not want to discount it at all and you just hold firm, or maybe they come back and say, "It is just not worth that to me."

Your traffic comes from my site, Diagnose.net, in which case that changes the AMR and ADT signature and the art side of it as well. You still get to make a call at the end of the day as to where you think, and then you use other sales, your appetite for holding it till another buyer would come, and you kind of use all that and you weigh it, and it is a business like any other. You just make a decision as to whether you want to take the cash now or later.

Michael: All right.

**Watch the full video at:**

<http://www.domainsherpa.com/frank-schilling-domain-valuation/>