

How a 26-Year-Old Sold \$5.1 Million in Domains in His First 12 Months as a Broker

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How exactly did a 26-year-old sell 5.1 million dollars worth of domain names in his first 12 months in the industry? Stay tuned to find out.

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Michael Cyger: Hey Sherpa network. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts. Most of you have probably not heard of today's guest Sherpa because he has not been in the industry very long, but he has accomplished something

pretty phenomenal that we are going to learn about on today's show and we are going to find out exactly how he did it.

I would like to welcome James Booth, Owner of BQDN.com, which stands for Better Quality Domain Names, a domain name brokerage service. Welcome, James.

James Booth: Hi, thanks, Mike. Thanks for having me.

Michael: My pleasure. So, how long have you been in the domain industry, James?

James: Officially 12 months now.

Michael: 12 months. And I went on to your website, BQDN.com, and I found your sales page, and in those 12 months I found that you sold NN.com, at least 25 Chinese premium three-letter .COMs, about 34 three-letter Western .COMs, about eight four-number .COMs, more than 150 four-letter .COMs, and a few generics like Mustang.com. About how many deals have you closed in all would you say? Do you keep track of that?

James: Well, I actually wrote it out for you earlier, where the total number of domain is 2,715.

Michael: 2,715.

James: But that did include a bulk five-letter .COM deal, which was for like 2,300 names, but yeah, the majority is three-letter .COMs. That is the main focus.

Michael: So, over four hundred deals you have done it sounds like, or close to it. Somewhere on that order of magnitude.

James: Yeah, around that.

Michael: Wow, and just in 12 months. That is like a lot per month. We are going to find out how you did it. And so, if you put all of those together, what is the total sales that you have closed in your first 12 months?

James: So, brokering has only been about eight months, so the total figure is just over 5.1 million dollars now.

Michael: 5.1 million dollars. All right, that is a phenomenal number. 5.1 million dollars. That puts you in the top echelon of domain name brokers and investors that are out there. But forgive me for asking, James, but you clearly look a little bit younger than the average domain name investor or broker, and I have been told by my grandmother that it is okay for more mature people like myself with some gray hair to ask younger people how old they are. Do you mind if I ask how old you are?

James: I am 27 in two weeks.

Michael: I love that. So, happy birthday coming up, and I laugh because my 5.5-year-old son will say I am almost six, but when you get to be my age, you are like no, let me just tell you I am last year's age, not this year's age. And so, 26. Did you graduate from college recently, like within the past decade or so?

James: Yeah, I studied mechanical engineering in college.

Michael: Mechanical engineering. It is nice to have another engineer in the industry. So, what did you do after you got your mechanical engineering degree?

James: Straight after college I went straight into sales. I went into a door-to-door sales job, where I was working like 12 hours per day, knocking on people's doors, trying to sell them windows and conservatories.

Michael: Windows? So, they will pop out their old windows and they will put in one of those brand new, nice, plastic or vinyl windows.

James: Exactly, yeah.

Michael: Wow. So, I did engineering. There is going to be a small percentage of the DomainSherpa network that has done engineering. We know how hard it is. Those first two years they try and weed you out of engineering. They give you those physics and the calculus, and you are doing Laplace transform. It is hard. Why would you stop doing engineering and go directly into sales?

James: I do not know to be honest. I mean I was really interested in it before I went to college, and then as I was going through it, it was so tough. And I do not know. I tried this sales job. It was like a temporary thing just to make some money, and I just found that I loved it. I love the whole aspect of sales. It makes the world go round. So, I found out I was doing pretty well in that job, and then also I went into tele sales, which I seemed to do a little bit better at than the door-to-door, and I have not left it since.

Michael: Okay, so this is interesting. Door-to-door sales. So, did you have like a briefcase or a bag that you would walk and you would have like the samples? Because I just ordered some new windows for my house and the guy showed up with these vinyl windows and showed me how cool they were. Did you have something like that?

James: No, it was more like a clipboard and it would say okay, here, like your gutter needs replacing or your windows look pretty old. Would you be interested in having someone come around and give you a quote on the property?

Michael: Ah, so you were doing the pre-sales, trying to qualify them so that somebody could come in and close the deal.

James: Exactly, and then we would get commission if somebody bought something.

Michael: Wow. And so, what did you learn by doing door-to-door sales that you did not know before?

James: To not give up. To be persistent, because you get so many people that tell you where to go and do not like you knocking on their door. So, as long as you are persistent and persevere, you can do well in anything.

Michael: So, what do you mean? You come my house and you would say hello sir. What would be your intro? Can you still recite it?

James: I cannot remember it. It was quite a few years ago, but I would say I looked around the property and I would be like has anybody ever sort of come around and given you a quote on this or that, or have you ever considered any home improvements. Just sort of free flow and see how people react to you, and if people are warm and welcoming, then you would normally get sort of a bit of a better response, or if they told you where to go, then you just go on to the next house.

Michael: All right, so you cut your losses. Even though you learned perseverance, if I responded like get out of here, didn't you see the sign no solicitation, you would actually just move on.

James: It did depend. It depends on what you were saying to me. If I saw there was a little bit of an opening there, where there could be a chance of some sort of sale or agreement, then I would persevere.

Michael: So, if I were like yeah, my gutters are like dripping on me, but I do not have any money, you would persevere.

James: Yeah, exactly.

Michael: Because you could what?

James: There is a need there, but you just do not see it yet.

Michael: Yeah, and maybe I see it, but if money is the issue, could you solve that some other way, like payment plans or something?

James: Yeah, financing. I would say look, at the end of the day, have a quote. Let somebody come around and give you an estimate if it fits your budget. If

not, at least you have that. At least you have the opportunity and you have got that as reference for the future if you ever do decide to do it.

Michael: Yeah. I secretly hope that my kids, when they get older, take a fast food job and a sales job because I think that you learn customer service and perseverance and being able to control the conversation like nobody else when you can practice those skills. Do you agree with that?

James: I do, one hundred percent.

Michael: Yeah. So, you left the door-to-door sales and you went to tele sales. How did you make that transition?

James: Well, I was getting a little bit fed up with the 12-hour days. In the U.K., I was waking up, it was pitch black, freezing cold, and I would get home and it would be pitch black. So, I was looking my whole day five to six days per week and I got offered a tele sales position from a friend and it was like six to seven hours per day, and the commission was good, and I was like of course I am going to go for it. It sounds like better money for less hours work in a nice office.

Michael: And so, what were you selling there?

James: Well, the funny thing is we were cold calling people to stop them from getting cold calls.

Michael: How can you make money doing that if you are trying to kill off your own job?

James: Well, they were charging people on a monthly basis, like five dollars per month, to get removed from all the sales and marketing lists. The funny thing is we were calling them off those sales and marketing lists.

Michael: That is awesome. And would people buy that?

James: Oh yeah, one hundred percent. So many people.

Michael: So, what was different that you learned from cold calling that you did not quite pick up when you were walking door-to-door in sales?

James: I think more customer service because you get inbound calls as well as doing the outbound. You would handle things differently. Face-to-face is very much different to being on the other end of a telephone because they cannot see you. Trust is only based on your voice.

Michael: Yeah, so how do you build that trust faster? I think a lot of the DomainSherpa audience is like watching and thinking. Yesterday I got an inbound call about one of my domain names and it was a CEO of a company that wanted to buy it. How do I build trust faster via the telephone? What did you learn in that job, selling services over the phone?

James: First of all, there is rapport. If you are sort of clear, and you build that rapport and you are friendly, and you have made them laugh, it is just about the icebreaker really. And if you sound like you know what you are talking about, then they are going to trust you more because all they are going by is just your voice and they have got a picture in their head of who you are.

Michael: Right. Did you have a go-to joke that you would have, or do you sort of wait for the conversation to unfold to look for some way to make a joke?

James: I would just free flow it. Just see how they were and just go around that way.

Michael: Do you get better over time? Because I feel like I am not good at free flowing it, and I am sure a lot of other people feel the same way. Do you feel like you got better over time by doing a lot of calls a day?

James: I think so.

Michael: How many calls would you make per day when you were working that six plus hours a day?

James: Well, one hundred calls per day. I was about to tell you one hundred dials per day.

Michael: One hundred.

James: Yeah.

Michael: Wow. Yeah, I was just listening to a show yesterday on MixerG when I was doing some traveling, and there was a sales guy that the goal with five hundred calls per day, and some days he would like hit four hundred and some days it would be over five hundred, but the goal was five hundred. Can you imagine doing five times what you were doing before?

James: That is like you are not even putting the phone down. You constantly dial and hung up, dial and hung up.

Michael: Constantly, yeah. Okay, so then after you did this tele sales job, did you have another job before you came into the domain name industry?

James: I had a few, yeah. I moved to a place called North Cyprus in the Mediterranean, where my mom lives, and I did like a recruitment/tele sales job there for about three years. I then moved back to the U.K. to work in London, where I worked in investment sales, selling land and property and fine wines and things like that. And then, from there, I went to visit my dad in Singapore and I was offered a job while I was on holiday in wealth management in Singapore. So, I packed my bags and moved there. That was about 4.5 years ago.

Michael: And so, then what did you learn in financial management that you did not know from doing tele sales and door-to-door sales?

James: Oh, just investments really. The role itself was very similar in terms of everything I had learned from the previous roles. It was just learning the products, learning the different types of investments.

Michael: Yeah. And so, you were trying to make sales that were maybe one thousand dollars total or maybe even like twenty to thirty dollars per year or

per month for the tele sales that you were doing, but when you went to financial management and you were in that role, the dollars were much higher, right?

James: Each role, the value of the product went up. So, the first role was like three to five dollars per month. The second role was like 120 dollars for this online qualification. And then the one in London was like minimum of a 20-thousand-dollar investment. And then, when I went to Singapore, we are talking like six-figure investments.

Michael: And so, when you came into the domain name industry, it was not shocking that people were paying five, six, maybe even seven figures for these domain names. You had already worked your way up to that order of magnitude sales.

James: Yeah, pretty much.

Michael: Got you. And so, how did you get into the domain name industry from the financial management, wealth management area?

James: Well, I was always aware of my brother, Andy Booth, that was involved in the industry. I think he has been involved now for about ten years, so I was always aware of that sort of in my job positions. And when I was at sort of the end stages of leaving Singapore and moving to the Philippines, I got in touch with him and I said, "Would you be willing to help me out and let me get involved in the industry," and he was happy to help.

Michael: Yeah, would you consider your brother, Andy, to be a successful domain name investor?

James: Oh yeah, one hundred percent.

Michael: Is he one of the top domain name investors?

James: Not right now I do not think, but he definitely has been.

Michael: All right. And so, what was the very first domain name that you brokered?

James: Yeah, I had to check this. It was a three-letter .COM, and it was BWT.com.

Michael: BWT.com. And did you own that one or did you broker it?

James: No, I brokered it to an Indian investor for 16 thousand.

Michael: So, did your brother give you that one to broker, like ask you to broker it for him, or was it somebody else?

James: No, I did not really start. I only brokered a few of my brother's names, but mostly these were ones that I found along the way of finding him domains and he was not interested in it, so I contacted a few investors and said, "Would you be interested," and one said yeah.

Michael: All right, so let me back up one second. So, your brother and you worked together initially. And what was the relationship that you had when you were helping him find domain names?

James: Yeah, so that was for about the first four months I was working with him and I was basically spending sort of eight to ten hours per day researching three-letter .COMs and contacting owners via email and phone and basically finding him, at the time, Chinese premium three-letter .COMs.

Michael: Got you. So, he said I know these sell. James, go find me three-letter Chinese premium .COMs, and you came up with a list of them. And then you knew exactly which domains to go and you would go do a WhoIS lookup, find other contact information, and contact them.

James: Exactly, yeah.

Michael: And a lot of them are owned by Nat Cohen over at Telepathy, right?

James: Yeah, he owns them all.

Michael: So, you would run into Nat on the WhoIS, or his company, and you were like that one is off the books. You cannot do that one.

James: Exactly.

Michael: So, then what did you look for? What made you think that a domain name had potential to be sold?

James: Well, I would check it. I would check out the website initially, and if it is like copyright 2002, if it looks like a really old and unused domain, then I would call them up. I would say look, it seems like you are not using this domain anymore. Would you consider selling it and how much do you want for it?

Michael: Yeah, so you would not come with an offer initially. You would say would you consider selling it and how much do you want for it.

James: Yeah.

Michael: Would you put that into the first email or would you just ask in the first email would you consider selling it?

James: In the first email, I would just introduce myself and say look, I would be interested in the domain name. Let's schedule a call and take it from there.

Michael: Got you. And what was your hit rate? How many times would you get a yes versus a no?

James: Most were no's.

Michael: When you say most, are you talking about like 55 percent, 80 percent, or 95 percent?

James: 80 to 90 percent were no's. And even these people that have got a website that is 15 years out of date, they still want six to seven figures for the names and they know the value.

Michael: Yeah, so if you would send one hundred emails, 80 to 90 of them would come back no, if they even responded, and then the remaining 10 to 20 percent would say maybe, and then you would have another conversation with them either by telephone or by email, and then some percentage would know the value and they would want six figures.

James: Yeah.

Michael: And so, when you finally got down to those that you could negotiate with, what was that number roughly? One.

James: One or two, yeah.

Michael: One or two out of one hundred.

James: Not even that sometimes.

Michael: Sometimes you need to send one thousand to get one or two.

James: It is all about finding that gold nugget. (Unclear 20:32.5).

Michael: Yeah, all right. So, I ask you those detailed questions because a lot of newer investors think that this is so easy. I am going to find great domains that have not been loved and I am going to contact them and buy them and flip them. It is a lot of worth. So, BWT was the first one that you found. Chinese premium. Do you remember what you bought that one for?

James: Well, I brokered it, so I only made five hundred dollars. So, it is not a Chinese premium. It is all right for the West, I guess, but it has got the V in it. VWT. I made five hundred dollars on that.

Michael: Oh, I am sorry. I thought you said B. It was VWT.

James: Yeah, V for Victor.

Michael: So, you found somebody who wanted to sell it, and then you were going to broker it. Did they tell you basically here is what I need to get out of it if you are going to broker it?

James: Exactly, yeah. They said 15,500. I found a buyer for 16 thousand.

Michael: And if I go do a WhoIS lookup, will I see who the buyer was?

James: Yeah, you will know him probably. One hundred percent you will know him actually.

Michael: All right, so who was it? Can you say it, or should I do a WhoIS look up?

James: I do not think he will mind. (Unclear 21:47.0).

Michael: Oh, (Unclear 21:50.1), okay. And so, you knew him through personal connections, through your brother. How did you know him as somebody newer in the industry?

James: That was just through Facebook, so like domain groups and things like that. Just people adding me on Facebook and start chatting and say are you looking for any names right now and what sorts of names are you looking for. Just building up a connection with different people at that point. That was sort of crucial to me if I wanted to start doing this, is connecting with people, networking online at the time.

Michael: Definitely. And so, that was a lot of work to find that one domain name out of one hundred emails that you sent, and you only made five hundred dollars off of it. Why sell it for so little?

James: Well, at the end of the day, it was about building myself up, and that is what sort of my mentality and my ethics is. It is not always about the money. I want to build this business to be a well known business in the industry and continue doing this for many years. So, I would rather make a

little bit of money, which is at the end of the day still something and get all these sales under my belt and get a good reputation, I think is the most important thing.

Michael: Yeah, and you build the relationships and later when you find a better domain name, you might make more off of it. Sometimes you sell them for less. I see it all the time with other brokers that I deal with as well.

James: Sometimes I will even find someone a name and make nothing. If it is someone I know in the industry, a domainer, and I will say look, I can get you this if you want it. It helps them out. It helps the seller out. And then if they want to come back to me two months later and say do you want to sell it, then.

Michael: Yeah, and I think there is similarities in the real estate industry. I know my good friends that are realtors. My mom was a realtor; would volunteer to like sell houses at no cost or a very small markup for your friends and family, so it does happen in other industries. What types of domain names did you focus on during your first year?

James: To be honest, it is all a bit about three-letter .COMs for me.

Michael: Three-letter .COMs. And why three letters over four letters?

James: Well, four letters, there are hundreds of thousands I think. I mean I did sell quite a few like AAABs and AABB types, like the premium four letters, but with three letters, there are always buyers across the world. Investors. End users. There are always people looking to sell whether they need the money or they want to make a little bit of profit, even flipping, so there is always a market there. It is sort of a very liquid investment and there is always going to be a need for it.

Michael: Yeah.

James: So, that was my main focus, and at the time, the Chinese market was just going about a thousand dollars per day, so people were going crazy and it

was like this is where I need to focus all my time because this is where everyone is at right now.

Michael: Yeah. So, why do you say three letters .COM are the bread and butter? Why not say numerics and three and two letters are the bread and butter?

James: Yeah, I mean numerics. I have only sold nine four-number .COMs, and they are very tough I think to sell because the Chinese obviously do buy them, but no, with the three letters, if you get a Chinese premium and a Western premium, you have got the best of both worlds. If you get a Western premium, you have got loads of people that are looking for them. And then if you have got like an XYZ.com, for example, then the Chinese are more likely to buy that I think, from my experience, than a four-number, especially if it has got the 0 or a 4. The ones without 0 or 4 are pretty tough to find, and people want ridiculous money for them.

Michael: So, it is about expanding the pool of potential buyers it sounds like. With numerics, they are just going to the Chinese or investors that want to sell them to the Chinese someday, but with the three letters, you can have letters that are Chinese premium and Western premium, so if you want to hold it long-term, you can get a premium retail price from maybe a Western company, but if you want to liquidate it or the market takes off, you have got the Chinese investors that may pay a premium for it.

James: Yeah, like BCD.com, for example. Premium for the West. Premium for China. Probably hundreds of end users for it I can imagine. So, you have got the best of all worlds.

Michael: Yeah. And so, have you gone through all the three letters. You have, surely. You have contacted every single three-letter owner that is.

James: All 17 thousand pretty much.

Michael: Yeah, and I am other investors have done the same. Did that worry you when you were doing this, starting eight months ago, that you were

contacting all these owners that I am sure other people have contacted over and over in the past?

James: Yeah, I mean of course, and all of these domains have had hundreds of emails, but it is about going the extra mile. It is about getting the phone calls. It is about doing the follow-ups. If someone says no, touch base with them a few months later or even a month later and just say look, we can offer you this or are you in a position. When do you think you will be in a position? Like I said, it is all about the persistence and perseverance.

Michael: Yeah, it is true. I have reached out in the past around a single-word generic .COM and the owner was not interested in the price that I was interested in paying, and then six months later, luckily they reached back out to me when they were looking to sell it because somebody had offered them more money and then it fell through, so then he reached out to me. But if I would have proactively reached out to him three months later, six months later, and just touched base and said has anything changed, I might have. It worked out for me anyways, but if he did not think about me and I proactively reached out to him, it could have closed the deal faster and more easily.

And so, that is what you are saying you do that other brokers do not do. You follow up.

James: Yeah, and even if you go on to a website for a three-letter .COM and it is owned by a huge fortune five hundred company, just persevere. Find the right person that handles the domain name and deal with the legal department or the IT department or marketing, and you try and find the right person that would handle that and say look, it does not seem like you are using it. You own it. And they are the tough ones to get, but then they can also be the best ones to get.

Michael: So, tens of thousands of emails that you have sent out. Maybe even more. How do you keep track of who you have reached that is a dead end, who you have reached that you cannot contact, and who you have reached that is not interested at this time that you need to follow up with in the future? How do you keep track of all that?

James: I just use different spreadsheets, and I have got it all on my computer.

Michael: Wow, just spreadsheets, huh.

James: Yeah. I have got all my call backs and when to call them. It does get mentally draining. That is for sure, but it is worth it.

Michael: Yeah. And so, when you find a domain name is owned by an investor. Maybe it is somebody well known in the industry or maybe it is a Chinese investor that you know has gathered a bunch of numerics and three letters. Is that a dead end for you or do you reach out to them as well?

James: Yeah, because I mean even as investors, even with myself, I have started investing. Sometimes I am looking to liquidate for a fair price. If I need the money for something or I found a different name that is better, then yeah. It is always worth staying in touch with people whether they are investors or end users. It does not matter.

Michael: So, you will communicate with them and say if you are interested, let me know. I can help you liquidate. I can help you upgrade. I have sellers that might be interested in doing swaps of domain names. Things like that.

James: Exactly, yeah.

Michael: Nice. So, how do you communicate with people that do not speak English?

James: Well, I have got some friends in Singapore that are Chinese and speak Mandarin. So, if there are ever any problems with the language barrier, then I will get in touch with them and then they will reach out to the Chinese individual and translate everything for me. It is a lot of work on my behalf basically.

Michael: Oh, wow. And so, if you see a domain name that is listed to somebody in China and you email them, do you typically email them in

English or do you ask your friend to translate your initial email and send it to him in Mandarin or another language?

James: It all depends. It depends on how badly either a client wants the name or if I want the name. Then I will reach out in English probably first, and if I get no reply or a reply in Chinese, then I get in contact with my friends in Singapore and they would follow it up and do a phone call and take it from there.

Michael: Yeah, all right. And so, you started off finding deals for your brother, Andy, and you would find the domain names, find a price, and then he would potentially buy them from you.

James: He would pay the price that I found them for and then he would give me a commission either when he sold the name or if he wanted to hold it long-term and he would just give me a little commission upfront.

Michael: Yeah, what kind of commission would a brother pay you?

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Michael: What kind of commission would a brother pay you? He is your older brother I take it, right?

James: Yeah, and he paid me some very fair commissions to be honest with you and I think he even made a loss on some names when the market went down.

Michael: Yeah.

James: So, I think he regretted paying me upfront.

Michael: But it is family. Come on.

James: Exactly.

Michael: Yeah. What is the age difference between you and Andy?

James: Five years.

Michael: Five years. So, growing up, that is close enough that you could slug it out if you had an argument, right?

James: I do not know about that.

Michael: No, you and Andy did not disagree growing up?

James: Oh yeah, he always used to beat me up, but he is nearly twice the size of me now.

Michael: All right, so then Andy would buy the domain names at the price that you found them at and pay you a commission, which is a great way to do it because you do not have any money outlaid because you were new in the industry. If Andy did not want it at that price, then you could go to the rest of your contacts who you were building through Facebook, who you were building through email contacts, and offer it to them. Did you ever run into a situation where you could not sell a domain name or because they were liquid domain names, the three letters and numbers, you could always find them?

James: Yeah, I never had an issue. At the end of the day, if I found someone that would pay the price that I found it for, like I said before, as long as both parties were happy and it does not leave anybody in the dark, and still get a deal done.

Michael: Yeah. Would you not take on a domain name if the price was too high? Would you need to figure out what the market price is for a three-letter .COM that you found and then agree with the owner that that would be the price that you would sell it at.

James: Yeah, one hundred percent. If someone wants something ridiculous, then I would not waste any time on it.

Michael: So, if the market rate was like 32 thousand for a three-letter .COM at the time and the owner wanted 50, would you try and negotiate the price down or would you just walk away because you cannot get 50 for it?

James: Well, first of all, I would say look, I can reach out to some end users for you and try and get you more than that, but right now the market price is this, so if you are looking to liquidate it and sell it quick, then I can find you someone around this price or I can reach out to the end users and see if any end users are interested. It is their call.

Michael: Yeah. And what percentage of the domains you brokered were wholesale flipping versus end user, more retail pricing?

James: I would say 99 percent was to investors.

Michael: To investors, so people just wanted to move the domain on because they had bought it for probably not very much and were happy with wholesale pricing.

James: Yeah, especially the prices were shooting up, so they were just looking to offload.

Michael: Yeah. So, is that today how you make most of your money still? Finding domain names and brokering them for other people at wholesale rates.

James: Yeah.

Michael: Yeah. So, are you buying any domain names yourself?

James: Oh yeah, I just got HSE.com on Sedo.

Michael: HSE.com.

James: Yeah.

Michael: You bought that one on Sedo.

James: Yeah, 30 thousand.

Michael: Huh. Why do you like HSE.com?

James: It is just brilliant for the West. It has got great stats on EstiBot and has got some really good end users. I am really happy with that.

Michael: How do you use EstiBot to find out who might be an end user for HSE.com?

James: EstiBot has got a tool called Business Locator, so you just type in the acronym, HSE, and it checks all U.S. businesses for I think 2014. And if it has got over one thousand potential end users just in the U.S., then that is a great name. And it gives you the company size as well, like the number of employees, so can get sort of a rough estimation of the value of the company and if they would be willing. Then you can Google the company and do some more research, and say yeah, this is a good name to invest in.

Michael: Yeah, that is a great tip, and there are so many tools packed into EstiBot if you are a paying member. I know most people are like I just use it to get an order of magnitude estimation of the valuation or I look at the

overture score to see if it has any type-in back from the good old days, or I look at the exact matches, or I type it into Google, but go check out all the tools related to EstiBot on that one tab. I think it is called Tools. And yeah, that business locator in the pulldown with the acronym is pretty powerful. You told me about that. I did not even know about it before we did the pre-interview.

James: I recommend getting in touch with EstiBot if people are looking to use DomainIQ to find previous contact information. Maybe if you think a domain name is stolen or something like that, you can contact the previous owner and they will generally do a package together with the EstiBot services and the DomainIQ services.

Michael: Oh, I did not know that. Well, that is a good tip as well because both EstiBot and DomainIQ sponsor DomainSherpa, which I am very grateful for because I use their products and I love their products, but it sounds like you use both of them and you reached out to their sales team and said I want both. Can you offer me a discount?

James: Yeah.

Michael: Great tip. All right, get ready for that, Luke over at EstiBot. So, it sounds like a lot of the deals that you did during the first 12 months were like creating relationships, moving domain names, building a name for yourself as the go-to person, both from a buyer and seller perspective. How long did it take you to build up enough of a bankroll to buy your own domain names?

James: I made a decent amount money helping Andy obviously get all those three-letter .COMs, and pretty much after four months of working for him is when I started investing myself. And that is also when I started to sort of say okay, well, I have not got enough liquid cash to buy this name. Andy does not want it either. Then I will ask other investors and say look, would you be interested in this really nice one. I have not got the liquid cash. And they would either give me a finder's fee, and that is when I started getting my five hundred dollars, one thousand dollars. It was not much, like big money, but it started to add up and that is when the light clicked on and that is why I continue to do it.

Michael: Yeah. What is a typical finder's fee?

James: I usually charge like one thousand dollars if it is someone I know. So, if I find them like a three-letter for 35 or 40 thousand and it is a friend, then one thousand or two thousand. It all depends. If it is a really quality name, then I would ask for a little bit more. It depends.

Michael: Yeah. So, is it fair to say if it is a 30, 40, 50-thousand-dollar domain name, the finder's fee could be one thousand to two thousand dollars, somewhere in there?

James: Yeah, it all depends. If it is a really good name and I think okay, they can sell it for six figures pretty easily, I will ask for five percent or a little bit more. It just depends.

Michael: Yeah, got you. I saw a couple of weeks ago, when you posted on Facebook, because we are connected on there, that you hit your five million dollars in sales mark. Most of the people in the industry would assume that you made ten to fifteen percent commission before listening to your story here and how you make money and how you have built your relationships, which would maybe work out to 500 thousand dollars worth of profit to your business, but then Andrew Rosener posted on there, "But he is only making four to six percent commission on those."

James: Yeah.

Michael: So, are you willing to say what your business profit was during the first 12 months of operation?

James: I made a decent six-figure amount. I will not say exactly, but it probably worked out overall about five percent of the total amount, so not bad.

Michael: Yeah, nice. And so, that six figures was made off of, on average, how many hours per day would you say?

James: I work nonstop to be honest with you. I work 12 hours per day easily.

Michael: 12 hours per day. So, 8AM to 8PM on average. You maybe split up your hours and things, but 12 hours per day is what you are working.

James: Yeah, because I work U.S. hours and I am in the Philippines. I wake up at midday, and then I will deal with the Chinese market for the first six hours because obviously we are on the same time zone, and then start dealing with the U.K., and then moving on to the East Coast of the U.S. It is 1AM now, so I will usually work till about 3AM or 4AM sometimes.

Michael: Wow. And what about everybody else in the Philippines, like your friends and your family there? Do they never see you because you are always sleeping?

James: Sometimes we will go out and do stuff. If I made a good sale or something, I will celebrate sometimes, but I am usually working.

Michael: Is that seven days per week or do you typically work five days per week and then take the weekend off?

James: I will do a little bit of work on a Saturday and Sunday, but just chasing up emails. I will not do calls and things like that.

Michael: Yeah, so you are not doing 12 hours per day on the weekend, but you are still maintaining your email box and keeping up.

James: Yeah, business never stops really, does it?

Michael: It does not. I am on seven days per week. Now, what do you say to people who are watching the show, James, and they are like I want to do brokering? I want to become an investor and do what James is doing, but I have got my own cash, but I cannot work 12 hours per day.

James: Well, what I recommend?

Michael: I do not know. What do you say about that? Do you need to work 12 hours per day in order to be successful? Could you make half of what you are making if you only worked six hours per day?

James: Potentially, but I think if you are looking to start out in this industry that there are so many brokers out, there is so much competition. And I mean yeah, if you have got enough money to fall back on, because you are not going to make much at the start, but yeah, I think you need to put the work in. You need to do the 12-hour days if you want to build up to something decent or something good.

Michael: Yeah, I would agree with that. And you look at any industry. You need to put in the time before you can master that, whether it is welding or real estate professional, or skydiver. Did you see the guy that jumped from 25 thousand feet out of the plane and landed in a net without a parachute?

James: Crazy.

Michael: All right. Can I go to marketplaces, like NameJet or GoDaddy and Sedo, and find wholesale deals, or do you need to do outbound cold calls and cold emails in order to find them?

James: To be honest with you, as I mentioned, I won the HSE at Sedo, but I do not use any of these marketplaces for any of the business that I do. I occasionally buy my own names if I see a good one, if I find a great domain auction, but yeah, it is all about the calls and chasing up and finding the out-of-date websites and doing all the hard work, because these GoDaddy auctions and things like that. Everyone is all over those. And also, if you buy a domain from these places, then the price gets listed. Like HSE, the price will be listed on the end journal, so it is very hard for me if I wanted to flip that. Although I think I got it at a good price, but that is going to be a name that I am going to sit on for an end user.

Michael: Now, what happens if that end user two years from now wants to buy it, but he saw that you paid 20 thousand dollars for it? Doesn't that dissuade that end user from paying 100 thousand if he saw that you paid 30 thousand for it?

James: Oh, I try and word it and convince them that look, it is a six-figure name easily. Look at previous sales to public companies. I bought it on a wholesale level two years ago. The market has changed. These are the prices now if you want it. If they contact you especially, they want it, so the power is in your hands.

Michael: Yeah, so you do not feel bad asking for six figures when you paid five figures for it. That is just the way the market is and you were at the right place at the right time. You understand how the market works.

James: That is why we do it. That is why people invest in domains. You get it at wholesale prices and you try and sell them at the retail prices.

Michael: Right. Yeah, same in every other industry. So, we talked about networking. We talked about building your network. You started on Facebook. You did a ton of email outreach, getting people on the phone, actually being personable with them. Did I see you at NamesCon in January? I did, right?

James: Yeah.

Michael: You were there. Was that your first conference?

James: It was, yeah.

Michael: Yeah.

James: That was when I was pretty fresh still. That was after like a few months of being involved. I was only brokering then for a couple of months.

Michael: Yeah, and so how useful was coming to meet people face-to-face for your business? Did it help at all or not? Be honest with me.

James: Yeah, it was brilliant. Getting to meet all the top guys who sell, like Nat Cohen. All these people in the industry, and then getting a face to the name and building a bit of rapport.

Michael: Right, because Nat, who buys a lot of three letters, may know who you are through your brother and may know your brother, but he does not know what kind of person you are really. So, getting to see you in person, now he can realize who James is and how you come across and how you communicate, and you can have a conversation or a meal with that person. Have you done business with Nat since?

James: Yeah.

Michael: You have.

James: Yeah.

Michael: Yeah. What are the most important qualities of a broker like yourself? What differentiates you from other brokers would you say?

James: Well, I think the most important quality in a broker is being trustworthy and reliable, and being open about how you do business and just transparent, and things like that. If you are trustworthy, then people are always going to come to you. They do not want a back alley broker that is going to try and sort of rip them off in some way. And that is the good thing about networking events and NamesCon and things. Meeting people face-to-face, you are not just hiding behind an email.

Michael: Yeah, very true.

James: It is that next step from an email and a phone call. They see the real you then.

Michael: Yeah, and it is one thing that I always recommend to the Sherpa network. If you just listened to James on this interview, shoot him an email. Say hi. Maybe he is going to be at the Domain Conference in September, and then you can chat with him there and maybe he will find you some deals if you tell him what you are looking for or what your investment style is. So, while I have that, what is your email address, James?

James: Well, my personal email is James@Booth.com, but the company email is Info@BQDN.com.

Michael: Okay. Do they both go to the same box and you manage it, or do you have the one that you prefer?

James: Yeah, well, Info@BQDN for anything works (Unclear 49:11.5).

Michael: Got you, okay. And so, the Chinese market was hot and you were selling a lot of domain names in that industry, but the Chinese market has cooled off. It is not dead by any means, like Chinese investors are still buying domain names. It is just the prices are not quite as high as they used to be. Have you shifted your brokerage focus since the market has cooled and what are you targeting now that we are starting the second half of 2016?

James: 50-50. So, I am still selling a lot of names to China, but I am also now focusing on the Western premiums. So, with the AIOU, things like MHA and things like that. Western premiums. Finding those and findings Western investors that will both those. But also, if I come across a nice Chinese premium, send that one to China.

Michael: Yeah.

James: I do believe that the market will pick up again after August according to a few of my Chinese sources. They think that it is all going to pick up again, but not to the same levels as last year.

Michael: Yeah, okay. And what would an investor need? What kind of capital would an investor need if they wanted to buy domains through you for some of these Western premiums - MHA.com, for example, or something like that? How much should they have in their bank account to invest in those types of domains?

James: Anywhere between 25 thousand and 35 thousand now. If you can pick up a Western premium for that sort of money, then you are on to it I think.

Michael: Yeah. And so, if somebody is buying lower level domain names off of NameJet or GoDaddy auctions and they are paying two, three, five hundred dollars, do you think that they should stay in that range, buying lower level domain names, or trade in 50 to 70 of those types of domain names for a better three-letter? What would you personally recommend?

James: Yeah, I mean this is where I think a lot of the newer investors struggle because they are buying these very generic two-word, three-word .COMs, and I mean it is very, very tough to get a good sale unless you know what you are doing. I mean obviously there are good two-word and three-word domains, but when I first started my investing, it was like the four letters were good at the start. More like you want a liquid domain if you are a new investor really because if you want to get out, you can, but you have got also more of a chance on a four-letter of getting a decent return, maybe sell it for 50 percent profit, or 100 percent return on investment, and you do that all the time. But with like a two-word, if you buy it for two hundred dollars, it is very hard to sell it for four hundred because there is not much of a market for it unless it is a company.

Michael: Yeah.

James: So, I would take one three-letter .COM for 25 thousand any day over 25 thousand dollars worth of two and three-word .COMs.

Michael: Yeah, all right. And what about generic words that are .COM? Do you recommend those or do you say just stay more liquid in the three-letter area?

James: I mean if you can find one-word .COM for ten to 20 thousand, then that is a great investment as well. But it is just the market for two words and three words. There just really is not a market right now I do not think, unless you are Mike Map and you have got tens of thousands of domains. Then you are going to get some good sales.

Michael: Right. Well, and that is what I think a lot of the newer investors are doing. Because they do not have a lot of money, they will buy domains off the drop or off the auctions at lower prices under five hundred bucks. Most of

them are around 20 bucks let's say and then they will try and get them on to BrandBucket or they will create their own marketplace and try and sell them for two thousand dollars per piece. So, 50 dollars to two thousand or 100 dollars to two thousand is what they are going for, but then they only sell one to two percent per year of those domains.

James: Exactly, and sometimes on Facebook I see people saying oh, I refused a three-thousand-dollar offer for like a one-word .IN. That is like take the money. Take it. Invest it in something.

Michael: Yeah, so your investment philosophy is definitely stick with the higher end because one, there is always residual value. There is always a liquid value on that domain name, whereas with the lower priced ones there may not be a liquid value. It may be walk away from it, and then you have that upside to sell it. And the upside, if you get it, you find the domain name low enough, the upside could be significant.

James: Yeah, I mean it is like some of the reviews that you do on the show. Generally a lot of the portfolios have got names where the Sherpas would recommend dropping them, where if they have spent all that money on some three-letter .NETs, like the Western or Chinese premiums or something where you have got room for market movement because so many domains now are treated like stocks and shares that the market is moving constantly. So, if you buy some three-letter .NETs for one thousand or two thousand dollars each, you have got more chance I think of the market going back up because the Chinese treat them like a stock and a share, and you are going to make a better profit than sitting on a two-word .COM for five to ten years, in my opinion.

Michael: Yeah. So, I do not play the three-letter, the numeric, or the acronym or the mixed alphanumeric market at all. Would you recommend just sticking with single words if there was an investor? Clearly you said you are not a fan of the two-word or multiple words. You like those liquid numerics and acronyms. But if I am not playing in that space, stick with the single-word .COMs? Is that the only thing that is left?

James: For example, I will give someone a tip that I found today. Anise.com. The herb. Buy Domains is selling it for like seven thousand dollars, which I think is a fairly decent name. It is a one-word .COM. It is a herb. For seven thousand dollars, you could probably get a good return if a company wanted to brand as that, like Aniseed. It is not bad.

Michael: Huh, yeah.

James: There are some decent one words, some generics out there for fair prices.

Michael: That is a fair price, yeah, and you could negotiate with Buy Domains as well, right?

James: Exactly, yeah.

Michael: It is not unheard of.

James: It is all about doing the research as well. Check if there are any companies that have got that in their name. Just do the due diligence. If you are going to make an investment, even it is one hundred dollars, it is worth doing the due diligence on it.

Michael: Yeah, definitely. James, if I wanted to get onto your list and be notified when you have a domain name to be brokered, a three-letter or a generic or something like that, how do I get on that list?

James: Just email me. I am literally having a new website developed, which should be live tomorrow.

Michael: Okay, so it will be live hopefully before this interview goes live.

James: Hopefully, yeah. And there will be like a subscribe to our newsletter.

Michael: Awesome, so just get on the newsletter.

James: Yeah, exactly.

Michael: But when you get a domain name for sale, like many other brokers in the industry, you are going to go to your go-to people first, right? Isn't that typical? You know who has the money. You know who is buying what types of domain names. You are probably going to offer it there first.

James: Yeah, because I mean they are reliable, and if the seller wants to get rid of it quick and you know a buy that has got the cash ready, then instead of marketing it out to hundreds of people, if you know someone in the industry that can take it and no price has to be reported and it has not been spammed out or sent out to hundreds and hundreds of people, so yeah, clearly.

Michael: Yeah, and I bring that up because I am trying to teach investors that is the MO of brokers. If they can move it quickly with a lot less work, they may be willing to not sell it for the maximum wholesale value. They want to build relationships, and so life is about networking and business is done through relationships, and that is what you have learned over your career, James, and I think a lot of other people have not had that experience and have not created those types of relationships yet, and that is how a lot of this gets done.

James: Yeah, I agree.

Michael: Awesome. All right. At this point, I remind the audience that if they have any questions for James about how he has networked that I did not go into or how he buys and sells or anything, post them below in the comments below this video in the comments on DomainSherpa, and I will ask James to come back and answer as many as he can. And if there are enough questions, we will do a follow up interview with James. And I have been doing that more and more, James, where people will say I remember when you interviewed James a year or two ago. How is he doing now? And hopefully your business will be multiple times what you have done in your first year.

If you received benefit from today's show, learned something new, challenged yourself in the way you think about doing sales or purchasing domain names, please take a moment to thank today's Sherpa. I am going to be the first to do so.

James Booth. Thank you for coming on the DomainSherpa Show, sharing some of your secrets for successful domain name brokering in reaching your 5.1-million-dollar sales target in the first 12 months, and thanks for being a Domain Sherpa for others.

James: Yeah, thanks a lot, Mike. I really appreciate it.

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

Watch the full video at:

<http://www.domainsherpa.com/james-booth-bqdn/>