

Profitable Flips: From \$2,444 to \$15,900 in < 6 Months - BuyShares.com, With Kevin Macpherson

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In this DomainSherpa Show, Profitable Flips, skilled domain name investors share all the details of how they bought low and sold high. On today's show, we are going to learn how a \$2,444 domain name bought on NameJet sold for \$15,900 on Flippa in less than 6 months. Stay tuned.

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

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts. Welcome to the Domain Sherpa Show called Profitable Flips. In this show series, I invite domain name investors to share all the details of how they bought low and sold high, a strategy called value investing, where you

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

Today I am pleased to welcome Kevin Macpherson from Scotland. Kevin, welcome to the show.

Kevin Macpherson: Yeah, hi there, Michael. How are you?

Michael: Doing great. Doing great. Thanks for staying up late in Scotland so that we could record the show today.

Kevin: Yeah, I think we are a few hours ahead of you guys in the states, so I managed to hang on for a wee while just to speak to you.

Michael: Definitely. And so, I reached out to you because I stumbled upon a domain name sale on a website called SimilarSales.com, and this website is interesting because they look at domains that have recently sold and then they find what the purchase price was of the domain name, and then they tell you if it was a profitable flip or a flop. And this one was like at the top of the list for over a week, and so I had to track down where it sold, who sold it, and then find out. I had to ask around about you. Find out what was going on.

So, tell me, Kevin, what was the domain name that you sold, what did it sell for, and what was the sales price?

Kevin: Okay. The domain name was BuyShares.com.

Michael: BuyShares.com.

Kevin: Yeah, that is correct. So, I brokered that domain name on behalf of one of my regulars, so he came direct to me after I appraised on Digital Point. He initially bought the domain for 2,444 dollars, and that was through a regular NameJet auction. So, I think what happened was he bid on the domain, set his maximum price, and went away and forgot about it. And he came back, I think it was the next day, and he realized he bought it, so he was quite surprised. (Unclear 2:21.2) good price. So, we reached out together and

we decided to list the domain on Flippa, and I thought the best way to achieve that was in a no reserve auction, so I think one dollar.

Michael: Wow.

Kevin: So, the betting went up and up and up, and it managed to reach 15,900 dollars.

Michael: Wow. All right, so hold on a second. So, you were the broker. So, usually on this show I bring on investors that did it. You actually brokered it, and so that is why I invited you on the show today. Sold for 15,900 dollars. He bought it for 2,444 dollars on NameJet.com. So, we are talking about like a 13-thousand-plus-dollar sale, just profit, on that sale. How long between him buying and selling it?

Kevin: I think he completed the NameJet auction back in September 2014, so we are talking about six or seven months ago that he had the domain, but he did actively market the domain up until about a week before I contacted him. So, he probably could have sold it faster had he contacted me.

Michael: So, he owned it for basically five months, and then you contacted him and offered to broker it, and then it took about one month to sell it.

Kevin: Yeah, we did it as a 30-day auction because we reached out to Flippa and it said in order to reach the maximum price for the auction, you need to have a four-week window for advertising. That means there are four newsletters that go out to people and a lot of people can plan ahead if they want to have meetings with their staff to see if they want to buy the domain or not. I actually tried shorter auctions before and they do not seem to earn as much, so those 30-day auctions is probably the best way to go.

Michael: Yeah, and other sellers I have had that have sold on Flippa have said that the 30-day auction is the way to go as well. So, you said that the seller was a regular of yours. What does that mean? How did you find this domain name to broker?

Kevin: I was actually looking on Digital Point. I was actually trying to spend some money before the end of the tax year. I was also looking for technical help with the website, so normally I go to Digital Point for these sorts of things and somebody on the forum normally gives me an answer to technical questions. I am not very technically minded. I can do basic website design, but when it comes to fully fledged coding, it is way out of my league. So, I decided to have a look in their marketplace of Digital Point and there is a lot of really bad names on that forum, but then again, I saw a few gems such as BuyShares.com.

So, I instantly went on the profile and I realized it was one of my regulars, who bought a domain name from me about four or five years ago. I just did not recognize the username straight away. So, I reached out to him and said, "I recently bought two three-letter .COMs. I do not have the budget to buy it right now. Would you be interested in me brokering the domain name for you, and in return I will actually pay the listing fee on Flippa," which was 250 dollars, and that was quite well publicized for that amount. And then, in return, I would get 15 percent of the actual sales price.

Michael: And he said yes I take it.

Kevin: Yeah, I think he jumped at. Yeah, I think he read up about me and realized I have got quite a good sales record, so he was well onboard with that.

Michael: Yeah, awesome. So, if I would have been going through, and I have this problem a lot when I go through discussion forums. You have got to weed through a lot of really bad domain names to find a gem. Right?

Kevin: Yeah.

Michael: It is not easy, like it wears me down. Even if I find a good one, I am not even sure it is a good one anymore.

Kevin: It is horrible sometimes, especially when you have been on the forum for so long as well. I think I have got like four thousand posts on NamePros, for example, and a lot of people new to the industry always contact me asking

if I want to buy their domain name they just registered yesterday for about ten thousand dollars. So, I have tried to be polite and say I am not interested and even redirect them to a place where they can read up more about domains and how to buy and sell.

Michael: Yeah.

Kevin: I do not like to be rude to people because I was like that back then. I was always trying to reach out to these big, famous people and I think it is only right actually to maybe help them as well.

Michael: Yeah. Well, good for you. So, to be honest, if I saw this domain name, BuyShares.com, on an expired drop list and I ran it through the Google Adwords Keyword Planner, which I normally do on domains that I am thinking about buying or registering, I would have kept on going down the list. The phrase 'buy shares' only has 480 searches per month in the United States, which I typically look at for right or wrong reasons. Why did you think that the domain name was valuable?

Kevin: I think a lot of people want to buy domain names that hold their value over time, so for example, if somebody bought a bitcoin domain, who knows if bitcoin is going to be available or around in five or ten years time. I actually said to one of the domain, it is like building a house next to rubber when you buy a bitcoin name.

Michael: Yeah.

Kevin: Eventually the house is going to flood when you least expect it, so BuyShares.com is like building your business on a hill. It is always going to be around. I like to use that analogy with domains quite a lot.

Michael: Yeah. Do you buy anything domains or do you just like this BuyShares.com domain?

Kevin: That is the first time I have ever been interested in a buy name, and I think I will probably look into it a bit more as well because I think it is quite a good keyword to have.

Michael: Yeah.

Kevin: I bought names such as Best such and such in the past, and I think these are quite good as well. So, I think I encourage people to go there and look for domains and maybe list them on Flippa.

Michael: Now, why did you decide to list the domain name for sale on Flippa.com versus a whole host of other marketplaces that you could have listed it at?

Kevin: I think Flippa are quite good in terms of advertising your name. I have had a lot of auctions in the past where I have had maybe one or two thousand people view the auction and it has got good reach compared some of the other auction houses available. The commission is quite reasonable. It is only about ten percent. And I work quite closely with Kevin, I think, from Flippa, so he has (Unclear 9:04.4) find my names for a long time. So, I try to do as much business with Flippa as possible and I have actually moved away from the forums a bit to list my names, and it has good results as well. I think my revenue has increased because of that, so that is quite important.

Michael: Well, are you finding more end users on Flippa versus the discussion forums, which are less end users and more wholesalers, or were you finding end users on the discussion forums as well?

Kevin: Quite a lot of people have found I have moved away from the discussion forums for listing their names and they have moved to Flippa and Sedo, but I still do sales through the forum. For example, I sold QMS.com for 19,500 dollars about six months ago. That (Unclear 9:53.1) DN Journal last week, and he resold it again for, I think, about 22,300 dollars. So, he made that profit off that, so I like to sell to people who know they are going to make a profit off of it because they are more likely to come back to me for names if they are making a profit.

Michael: Right. Yeah, and Frank Schilling said that when he was on the show. He was like: "I have got to leave a little bit on the bone, so if people want to sell that, they can turn around and flip it and make a profit on it."

Kevin: Yeah, it kind of works both ways as well because, as you know, being involved in single-letter domains, there was a domain from an extension, which has a registration fee of about thousand dollar per year that was available, so bad judgment made me go against getting it for that price.

Michael: Yeah.

Kevin: But one of my friends actually did get it and he sold it to a Chinese mobile phone company for one hundred thousand dollars.

Michael: Oh.

Kevin: So, that is my highest domain regret and it still bugs me to this day. It is incredible really.

Michael: Yeah, and so I need to have you back on the show just to talk about single-letter domain names, because you say single-letter domain names and people's eyes open. Like how did you get a single-letter domain name? I will link to Kevin's profile down below. You have some of them listed. They are .ET domain names, so they are country code domain names from the country of Ethiopia I believe.

Kevin: Yeah, that is correct, and I have also got ones from Costa Rica and Kurdistan. Where else do I have? Afghanistan as well. So, it is a lot of obscure countries, but I think a lot of people like single-letter domains for URL shorteners and it is always a nice talking point as well when you have got a single-letter domain. They are kind of like three-letter .COMs in a way. They always have a minimum wholesale value. People are always going to be interested in them and buying them as well.

Michael: Yeah. So, if people are interested in buying them, they can look at your profile. If they are interested in selling them, they should contact you. You might be in the market.

Kevin: Yeah, definitely. I definitely buy more single-letter domains as well as three-letter .COMs. So, if anyone has got them, just contact me and I will be more than happy to take a look at them.

Michael: Awesome. All right, so let's get back to BuyShares.com. I have sold some on Flippa, usually using brokers like yourself. I tried listing one domain name myself and I paid for the upgraded listing, and I got a lot of watchers and views. Not as many bids as I thought I would generate, so I like to provide some data to people that are watching the show, they can figure out whether they are getting a decent number of not. So, how many watchers do you think you had on the BuyShares.com auction on Flippa?

Kevin: I alluded to that earlier and we had 112 watchers, as far as I can remember, and we had about 2,500 views, so it reached quite a wide audience.

Michael: Yeah.

Kevin: Yeah, I think we had 97 bids.

Michael: 97 bids.

Kevin: It is quite encouraging.

Michael: Yeah, so if I bid on twice, then I am two of those bids.

Kevin: Yeah, that is correct.

Michael: Okay, so over one hundred. 112 watchers. 25 hundred views. I think my auction had about that many as well. Maybe it did not have that many watchers. Now I am trying to remember. It did not sell. It did not hit my minimum, but it did have that many views. And I was wondering, like how many views do I need or how many watchers do I need to figure that out. Let me ask you this, Kevin. Did you list it on Flippa and pay out of your own pocket for the upgraded promoted listing only or did you also do outreach outside the Flippa community to try and drive more buyers to Flippa to this listing?

Kevin: Yeah, initially I went for the 250-dollar premium auction upgrades, which I found is probably the best way in order to get sales on Flippa. And quite a lot of people watch me as a seller on Flippa. I think I have got about 80 people who get an email notification any time I list a domain on Flippa.

Michael: How many?

Kevin: 80.

Michael: Yeah, that is a lot.

Kevin: So, they are instantly notified any time I list a domain and they normally get the auction started, because with Flippa I think it is important to have a no-reserve auction. So, if you start off at one dollar, take the BuyShares.com listing, for example, it took 37 bids to get up to one thousand dollars, so that instantly (Unclear 14:32.5) the auction up to the top in terms of most watched and most bid and most active. So, that is promotion in itself, and it is free promotion. You do not need to pay for that.

Michael: Right.

Kevin: So, then again, you have to take a risk because some of your names might not sell for as much as you want, but if it has reached the maximum number of people, then you cannot really complain. That is (Unclear 14:54.1).

Michael: Yeah. Now, I set a reserve price with a one-dollar starting bid, so I could still generate that interest and get a lot of bidders, which then moves my auction to the most active list, but you did not set a reserve. Do you find that it adds a little bit more excitement to an auction if you do take that risk and list at no reserve?

Kevin: Yeah, I think a lot of people are put off by a reserve auction because they probably think that the sellers put their reserve far too high, and most of the time that is the case I think.

Michael: Yeah, with me too.

Kevin: Yeah. Yeah. So, most of my Flippa auctions now are no reserve and start at one dollar, and I tend to a buy it now (BIN), which is around 24 hours before the end of the auction, and gradually lower the BIN in order to generate quite a lot of interest, and that seems to work.

Michael: All right. So, anyone can go to Flippa.com and go to the advanced search and type in BuyShares.com, and search the closed transactions to see your listing, your write up. I thought it was a very thoughtful write-up. You had some good comps in there. Does it take you a long time to put together the letter of offering basically, the listing of a domain name like BuyShares.com?

Kevin: It may not seem like quite a lot in terms of words, but a lot of thought and effort has gone into it. I think it is maybe about five hundred words I put on these auctions, and I tend to do my research, so on this auction, I had a look at some other domains that sold and there was one, SharePrices.com, that was sold for 15 thousand dollars back in 2009 on Sedo. So, I did a bit of research on the company and they are actually a UK-based company, so I looked up their accounts and they were turning over I think half-million pounds using the domain.

Michael: Wow.

Kevin: So, that was good sales pitch on what the buyer could achieve with BuyShares.com, so it is giving the potential buyer a little more vision of what they can achieve if they got the domain and developed it, and I think that is quite important.

Michael: How did you figure out that that buyer of that domain name had a yearly revenue of half-million dollars?

Kevin: In the UK, you can look up company revenue. You need to pay for an account obviously, but it is quite good if you want to have a search on what other companies are doing and what they are turning over.

Michael: Yeah.

Kevin: So, maybe you have that in the US, but it is quite common here in the UK.

Michael: Wow, that is awesome. All right. So, you mentioned you can set a domain auction between three and 30 days. You went for the maximum. You went for a 30-day auction.

Kevin: Yeah, that is correct.

Michael: And then you can pay for an upgrade. Well, you have to pay for any listing. The standard is nine dollars, and they have a premium for 249 and an ultra premium for 349, and the premium and the ultra premium provide extra promotional opportunities. I think when I listed mine, I listed it at 349. Why do you choose the 249 option?

Kevin: The 349 option is quite good. I think what they do is they put it on the homepage, but I find anytime I refresh the homepage it seems to not be there sometimes, so I think it is on rolling car itself, but the 249 option gives quite a lot of promotion to the auction. And I have actually tried the 349 auction before and not really seen any difference in terms of bids and end price, and sometimes I actually get more on the 349 auctions, but maybe it is just one of these things.

Michael: So, the best bang for the buck you are saying you have found is the 249 option.

Kevin: Yeah, the 249 option is the best, but never go for the basic nine-dollar listing, especially with a no reserve. You are just guaranteed a low price there.

Michael: Oh, really, but what if it is just like a phenomenal domain name? Does it matter?

Kevin: Probably not for things like three-letter .COMs. A lot of people will use advanced search filters. I know I use that myself and quite a lot of three-

letter .COM owners list it on a basic listing, but most of the time they have higher reserves on it and the auction never sells really.

Michael: Yeah.

Kevin: So, I think what they do is they try to get the contacts of the listing and do it that way, so it is a good value for nine dollars.

Michael: Yeah, definitely. Now, you had mentioned that you like to get of bids. You said that you got 37 bids to get to one thousand dollars. Clearly it sold for 15,900 dollars. By the time you get to one thousand dollars, are you a little worried that hey, we are not going to hit a good number on this, because there is a big difference between one thousand and 15,900?

Kevin: Yeah, definitely. I was actually quite worried midway through the auction. I think it was only on two thousand dollars and it was on two thousand dollars up until three days to go. That kind of crept up to six thousand dollars with one day to go, and in the closing stages we got about three or four bidders who were actively bidding against each other and that is what drove the price up. A lot of people contacted me asking for a BIN, so I set a BIN. I cannot remember what I set it for. I think it might have been 19 thousand dollars and I gradually lowered that to generate a little bit of interest, and I think that seemed to help and a lot of people started panicking, which drove up the price as well. These are little techniques you should use in order to get the maximum sales price for a domain.

Michael: Because every time you set a BIN or reduce the BIN, the Flippa system automatically notifies those who have bid or are watching that there has been a change in the auction.

Kevin: Yeah, that is what happens. Any time you comment as well on the listing, it is automatically sent to everyone who is watching the domain. So, if I said oh, I have reduced the BIN, that would have gotten sent to 119 people.

Michael: Yeah.

Kevin: Even that is quite a lot of advertising in itself.

Michael: Yeah, definitely. Now, it did not actually sell for a buy it now price, even though you set it at a reasonable amount, 19 thousand, when the auction closed, won, at 15,900. Are you surprised that somebody did not press the buy it now button?

Kevin: I was a little bit surprised. Actually the top bidder. There was actually a bidder who bid 16,100 dollars, so he was the original buyer of the domain, but he was not able to pay for it. I think he was on holiday at the time, so what he did is I think he bid for the domain and he won it, but he said he needed two weeks to pay, so that sent alarm bells ringing for me. So, he basically said, "I cannot finance the deal just now. We will just cancel it." So, we cancelled that initial transaction, so I contacted the second and third bidders. The third bidder was not interested, but the second bidder was and he closed at the price of 15,900.

Michael: So, let me dig into this a little bit because this is a pet peeve of mine. Somebody enters into a contractual obligation to buy a domain name. They put in a bid. It is the highest bid. They win they auction. What are the expectations from people at Flippa with respect to this bidder? I need two weeks. Well, no, you agree to buy it now.

Kevin: Yeah.

Michael: What did you do when this guy emailed? I guess he private messaged you or something and said, "I need two weeks to pay this," and what did you do?

Kevin: I was actually very angry, but obviously I kept that anger to myself and I wrote a polite email saying you entered into a contractual agreement for the domain and two weeks is a long time for financing a domain, which is a relatively small amount of money in terms of financing I think.

Michael: Yeah.

Kevin: So, I contacted the Flippa domain admin and they said it was probably best we close the transaction and went with what the second bidder, who was still interested in the domain, so that is what we did.

Michael: So, then what did you have to do for the second bidder? Do you personally have to reach out to that bidder and ask them if they want to pay the price, or does Flippa step in and help you as the seller? What actually happened?

Kevin: There is an option on the Flippa system to set a price to offer to other people that are watchers in the auction, but I reached out to the second highest bidder and he seemed quite interested. I think he actually said if the winning bidder falls through, contact me, because the winning bidder, the one who initially offered the 16,100, had no feedback and recently created an account, which does send alarm bells ringing sometimes, and this guy had quite a lot of past feedback on Flippa and he had a revenue score more than me. So, it is somebody you can trust as well.

Michael: Yeah, so wait a second. The second bidder. Was that the third bidder or the second bidder?

Kevin: I think he was the second bidder. I get a bit confused.

Michael: Yeah, because if I remember correctly, the winning bidder was 16,100. Then there was a second bidder at 16 thousand. Then there was a third bidder at 15,900, and that was actually the selling price.

Kevin: Yeah, 15,900 was the selling price. Yeah.

Michael: So, that was the third bidder.

Kevin: Yeah.

Michael: So, what happened to the second bidder?

Kevin: I did actually contact him, but he never responded, so I actually forgot about him.

Michael: Got you. So, basically you sent the second bidder a private message, said, "The transaction did not go through with the first bidder. I will give you an opportunity to purchase it for your bid," and they never responded.

Kevin: Yeah, the second highest bidder never responded. The third bidder responded straightaway and he said, "I will offer you 15 thousand for it," but I said, "No, you offered 15,900 a few days ago," and he came back to me almost instantly and said, "Yeah, let's do it. 15,900," and he paid straightaway.

Michael: It just seems like if I would have been in your position, and this is why I am not a broker and I do not sell very many domain names, but it seems like the sale is just unraveling and like how low are people going to go, because he or she, the third highest bidder, probably looked and saw well, he is coming to me, so the two top bidders probably did not pay. I might get a little nervous.

Kevin: Yeah, it is always horrible. A deal is never complete until the money is in your account because I have sometimes had bidders who just disappear once they have made the price and you always get a little bit excited when you get that big dollar sale and they never follow up. So, I was quite lucky and quite glad that the third highest bidder did go ahead with that.

Michael: So, then on the Flippa system, how do you administer it? If that person writes back and says, "Yes, I will take it for 15,900," how do you actually move the transaction then to make that person the winning bidder? How does that work?

Kevin: Basically I contacted Flippa, who closed the transaction center process for the top bidder, and I sent and asked the third highest bidder to send an offer for 15,900 through the system. So, I accepted right away and started up the process again.

Michael: Got you. All right. So, one of the things that was unique about your description was that you included a prior sales email that the seller, the

person that owned this domain name, had received via a third party marketplace. Can you describe what that was?

Kevin: Yeah, he received an offer for 20 thousand pounds, which is roughly 30 thousand US dollars, and I think he received that offer maybe three or four months before the auction. So, I think that was a good marketing tool because someone did offer that, but I think he countered with a ridiculous offer and I think that scared the potential bidder off. He automatically closed the transaction on Sedo.

Michael: Got you. So, he scared him away, but you still had that. Do you think that was important, that provided some social proof to people that they had received an offer?

Kevin: Yeah, I think it is actually worth that amount of money. I think the winning bidder got a bargain, and I actually had that price on the forums and there was a thread about BuyShares.com, and everyone was saying it should have went for around 50 thousand dollars, 60 thousand dollars. Some people were saying six figures, and you are automatically thinking oh, what have I done, but that is the risk you take with no reserve auctions as well. I think the winning bidder will go on and probably sell it for more, but he will be a happy bidder and he will come back to me as well.

Michael: Yeah. So, did that bidder number one get kicked off the Flippa system for not being able to immediately transact or are they still on the Flippa system?

Kevin: I actually had a look at this today and he is still on the system, but what happens is there is a dispute lost against the buyer on his account. So, when somebody clicks on his username and goes onto his profile, they will see that he did not complete one transaction. And with somebody who has no feedback, that is kind of a warning to the (Unclear 28:25.4) how to deal with him.

Michael: Because the next time you start a listing on Flippa or anybody starts a listing on Flippa, when somebody puts in the first bid, it is pending. I think you can set it to be pending until you approve their first bid, so basically you

have the right to approve every single person that is bidding on a listing that you are offering on Flippa and you would be able to go and look at that person's profile and say they have got a black mark against them. I am not going to let them into my auction.

Kevin: Yeah, I tend to research the buyers or the potential bidders who do make an offer. So, for example, this guy did have a LinkedIn profile. I did seem quite reputable as well, and he is American-based as well, which I think is important, so I tried to be happy to accept his offer, but then he turned out not to pay in a quick enough time, which is unfortunate.

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Michael: Yeah. So, one of the comments that you made on the listing on April 7th, you wrote, "The top bidder was removed as they failed our verification test. He had no feedback and never responded to our messages. The auction will continue as normal," and that was before it closed. So, we talked about how to sort of do your due diligence on people that are bidding before you let them into the auction. This one, I guess a person had

automatically. Do you setup your auctions so that people can automatically bid and then remove them if you do not like them? How does your process work?

Kevin: So, what happens is the potential bidder makes an offer and it is pending until I accept it. So, what I do is I contact the potential bidder and say, "Tell me a little bit about yourself. Maybe a link to your LinkedIn profile. Maybe see your Facebook just to see you are a real person really." So, the person who offers six thousand dollars, I cannot really remember what happened there.

Michael: Yeah, no worries, but basically you removed that pending bid and the bidder.

Kevin: Yeah, sometimes I do not get a good feeling from people, especially if they only reply back with two or three words, replying to your email, it is like maybe they are not deadly serious. I had one of these feelings, like I have had (Unclear 30:47.9) so many years in the business, you think something is not quite right here and the last thing I want to do is wait until the end of the auction and he was not going to bid, so he was not serious.

Michael: Yeah.

Kevin: So, I took a gamble and took him off the auction really.

Michael: So, if somebody puts in a bid and they have got prior transactions, do you automatically let them in?

Kevin: Yeah, as long as there is one hundred percent feedback, but I am still wary of people who have small transactions for 35 dollars, especially when you are selling.

Michael: Right, people that are buying a domain for one dollar or five dollars. Maybe they have five transactions, but they are all under 40 dollars each or something. You are little wary about letting them in.

Kevin: Yeah, definitely. I like to have feedback, even if it is feedback from NamePros or DNF, and maybe I will ask for their portfolio names as well to see what sort of quality they have got to see if there is similar quality that they are wanting to buy in there. So, I think that is quite important as well.

Michael: So, you will ask them. Send me a link to your LinkedIn profile or send me a link to your profiles on DNForum or NamePros. You will ask them for those before you let them in.

Kevin: Yeah, that is correct. I definitely recommend for other people to do that as well. We have cut down the number of non-paying bidders, so I think that is the best thing to do.

Michael: Yeah, that is a great idea. I have never really thought about doing that before. So, the first bidder was 16,100 that could not pay, and then the second bidder was 16 thousand even. If the top bid flakes out and does not buy, is the second bidder legally required to buy the domain name or because they were not the winning bidder, it is their right to accept or decline?

Kevin: Yeah, because they were not the winning bidder, they have an option to accept or decline the offer, but if you contact them quick enough, they are still going to be interested. They are not (Unclear 32:43.6). That is why I did not want to wait two weeks, just in case he was not going to pay, so I like to strike while the iron is hot really and contact the other bidders to see if they are still interested, and thankfully the third highest bidder was interested and managed to close the deal.

Michael: Yeah, nice. Did you get any private message offers that made you think about just lowering the buy it now and selling it for less than it actually sold for?

Kevin: I think I received about six or seven different BIN offers, ranging from about five thousand dollars when the auction was still at two thousand. I think the highest one we got was 13,500.

Michael: Wow.

Kevin: So, I was quite close to the selling price, but I have had experienced in the past where I have lowered the BIN to quite a low amount and someone bought it straightaway, and I have done that a lot with my single-letter domains recently and I think I would probably let the auctions run from now in order to achieve the best price.

Michael: Yeah. Now, were you thinking, when you got the five-thousand-dollar offer when the bidding was currently at two thousand, like hey, that is a good offer. I can make a nice commission and be done with this. Did you think about it twice?

Kevin: No, definitely not. I knew it was going to be a five-figure domain and I put a lot of advertising into it. A lot of my previous buyers were interested. I sent them all an email and I got a lot of inquiries, but whether they turned into actual bidders I am not too sure. But I like to take a gamble on it, again, and I did not fancy taking a five-thousand-dollar offer for a domain I thought was worth five figures.

Michael: Yeah, definitely. So, it sold for 15,900. You got a 15 percent commission. Flippa took a ten percent commission on top of that. So, then the seller basically received 75 percent of that 15,900.

Kevin: Yeah, that is correct. So, I basically got around 2,300 dollars from the sale, which is quite good just for writing an auction description and putting it on to our account, but it is all about the contacts as well and driving them to the auction and getting a lot of people interested in it as well.

Michael: Right. Well, that is the difference. Me, with no followers on Flippa and not a history that people know and can trust, I am not going to get as high a sale as somebody that has been a regular on the Flippa system, that has those contacts, that gets notified as soon as a listing goes live on the system. So, yeah, that makes sense.

Kevin: Yeah, it is good to have a good reputation as well and make sure you put your LinkedIn, Facebook, and/or Twitter profiles on your Flippa profile, because that is what I do when I look for people, look at sellers and look at

buyers and see who they are. More out of curiosity more than anything else, but it is good to see who you are dealing with then again.

Michael: Definitely. So, looking back on this transaction, Kevin, is there anything you would have done differently if you could do it again or you are going to do differently going forward?

Kevin: There was one thing. I had a look at analytics for the domain and it had around three hundred uniques per month, which is not a lot in the grand scheme of things, but for a high CPC niche such as this, it is quite a lot of traffic and quite expensive traffic as well. So, if you were to bid on that traffic in AdWords, for example, you would be spending a few hundred dollars per month, if not more.

Michael: Definitely.

Kevin: So, I think I will probably add analytics data even though it was not much to the auction in the future.

Michael: And I cannot remember. Did you include that analytics data in your description or you did not?

Kevin: I did not actually include that, and I did not actually include any details of traffic. I am more focused on the actual domain and past sales and what it can be used for and what potential sales prices it can achieve, but I maybe should have included analytics data. I think that is quite important.

Michael: Yeah. Well, I do not know. Yeah, that is interesting. So, do you currently have other domain names for sale on Flippa right now?

Kevin: Yeah, I am thinking about listing a few of my single-letter domains on a no reserve, one-dollar auction this week. So, I would probably list E.ET, and I was looking to sell two three-letter .COMs that I have got, but I am not going to reveal them just now. So, I think it is a good time to sell three-letter .COMs at the moment because they seem to have taken up words trajectory in price, because this time last year the basic three-letter .COM was going for about six or seven thousand dollars, but now they are going for around 13 to

14 thousand dollars, depending on who you know as well and the letter quality obviously, but yeah, I think three-letter .COMs are quite hot right now.

Michael: Yeah, awesome. Well, I will put a link below to your profile on Flippa so people can look through all the domain names that you have listed for sale because we are taping this a bit earlier than it airs, so you have a chance to change those up. If someone was watching this show and they hear about people that are getting good sales on Flippa like yourself and they know that if they are brand new to Flippa, it is an uphill battle. You cannot just list a domain name and expect everybody to find it unless they have a phenomenal domain name, like a single word.

Can they contact you and ask you to broker it? Do you do brokering for other people on a regular basis?

Kevin: Yeah, I do quite a lot of brokering and I definitely encourage people to contact me if they do have some nice, generic .COM names or names they think would sell for quite a lot in the Flippa platform. I would be more than happy to work with them as well.

Michael: Okay, and what is your typical commission rate?

Kevin: It is 15 percent flat for names on Flippa.

Michael: Okay, and do you require them to be a no reserve auction?

Kevin: Yeah, I would definitely prefer no reserve auctions because I think a lot of people expect my auctions to be no reserve, and I think the sales price would actually be the same if it was a reserved auction. So, yeah, probably no reserve would be optimal for me.

Michael: And then what kinds of domains do you think are selling on Flippa right now or what range of values? How would you describe to people the kinds of domain names that would do well on Flippa?

Kevin: Well, I can explain probably a few letter .COMs and a lot of keyword .COMs as well, so buy something would be good and I have seen quite a lot of .IO domains, which is quite confusing. I do not know why they are going for so much, but then again you learn something new every day. But I would just encourage people to browse the catalogs daily and, again, that is IDN Field and Marketplace, and see what is selling for well and I would definitely recommend watching auctions as well even if you are not interested in buying them because you learn how much they sold for and why they did not sell. So, I would definitely encourage people to do that.

Michael: Yeah, I find them very boring for like 27 of the 30 days. If I could just watch auctions starting on the 29th day just to see what happens, that would be cool because I do not want to get all the emails and everything coming in.

Kevin: Yeah, it can be quite horrible sometimes when you have got a 30-day auction and you got on it every day and see if it is going up, but it is almost like worrying for 30 days, especially when it is a no reserve auction, especially when it is your living as well.

Michael: Yeah, and you do this for a living, Kevin. This is your full-time living.

Kevin: Yeah, it is my full-time living and I have also got little venture as well, such as selling software, but mainly it is domain names and developing websites, affiliate websites, and working with others just to earn my crust.

Michael: Awesome. All right, well, if you have watched this show and you have additional questions for Kevin, post them in the comments below this video on Domain Sherpa and I will ask Kevin to come back and answer as many as he can. I also encourage you, the person who is watching this interview, to get out from behind your computer, reach out to other people in the industry, and start to make connections. Often times, it is just one person's advice to another that can really make the difference in understanding the industry and then becoming profitable at it.

The first thing and the easiest thing that you can do to start making connections is posting a simple comment below this video. All you have to say is thanks, Kevin, I enjoyed it or I appreciate you telling your story because it is motivating. Whatever it is that you got out of this interview, post a comment below. I am going to be the first to say thanks to Kevin.

Kevin Macpherson, thank you for coming on the Domain Sherpa Show, sharing your story about this domain name flip that you did not even know, you just brokered, which I love that you identified it and took the risk and sold it yourself, and thanks for being a Domain Sherpa for others.

Kevin: No problem. It has been great speaking with you, Michael.

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

Watch the full video at:

<http://www.domainsherpa.com/kevin-macpherson-buyshares-interview/>