

Interview with Michael Gilmour, [ParkLogic.com](http://www.parklogic.com)

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of Domain Sherpa (dot) com, the web site where you come to learn how to be a successful domain name entrepreneur directly from the experts. We've heard over the past few years, over and over again, about the death of domain name parking. What used to be a very lucrative tactic a few years ago has now dried up according to many domain name investors. But if there were a way to actually make money parking domain names? That's the question we're going to answer today. How can a domain name investor maximize revenue from parking domain names? Joining me to answer this question is Michael Gilmour. Michael is the Founder and CEO of Park Logic, a domain name management and parking service. Michael, welcome to the show.

Michael Gilmour: Hi, how you doing Michael?

Michael Cyger: Great. Michael I hope you're up to the challenge today. I've put out quite a task for you to tell the audience how to make money with parking. Are you up for it?

Michael Gilmour: Absolutely. Yeah, let me tell you. Parking is alive and well.

Michael Cyger: Great. And I'm glad you said that. We're gonna find out in this show. And I find this particularly interesting, because I've never parked a domain name in my life. So while I'm asking you the questions, I'm going to be thinking in the back of my mind how can I put this to work; what domain names can I buy to park; how will I monetize them; what kind of return on investment can I expect to receive. So let's get started with this question. What are the major points that someone should know about when considering domain names to buy for parking?

Michael Gilmour: Well, the number one concern is, the domain has to have traffic. If it doesn't have traffic, then no parking service - I don't care who it is - is gonna make money with that. Everything comes down to traffic, because that's what the advertisers want.

Michael Cyger: Yep.

Michael Gilmour: And so, that's the thing. These are an important thing to look at.

Michael Cyger: The first thing: needs traffic.

Michael Gilmour: Yep.

Michael Cyger: What's the next thing?

Michael Gilmour: Okay. The next thing you need to really look at is, once you got the traffic, you got the domain, then you need to be able to increase the click through rate; the relevance. In other words, you need to find out what advertisers wants this traffic. Then you move from there and say, great. I know that, say, games. Is it games traffic, so I want to attract games type advertisers to them. So you set your keyword, but you need to set the highest paying keyword. Being to work on the earning per click.

Michael Cyger: Okay.

Michael Gilmour: So, you got a high click through rate because you know what the traffic wants. You then wanna get the highest paying keyword.

Michael Cyger: Okay.

Michael Gilmour: That's what it's about. Now, you can do other things such as begin to alter the look and feel of the pages and things like that, and it'll give you an even better result, but ultimately what it comes down to working on the click through rate and also the earning per click.

Michael Cyger: Alright. Got it. So we need to buy domains with traffic. We need to know how to monetize them best; where to monetize them. And then we need to make sure that we're monetizing the best; that the highest earnings per click, and converting that traffic.

Michael Gilmour: Absolutely. Absolutely. That's what it boils down to.

Michael Cyger: Alright.

Michael Gilmour: But, can I just say...

Michael Cyger: Yeah, please.

Michael Gilmour: If I interrupt you for a second is that, get domains with traffic. I cannot emphasize that enough. Like people have said, as you said in your intro, that yeah, maybe domain parking is dead and all that sort of stuff. The bottom line is there's more traffic around in domains than there has ever been before. And advertisers want the traffic. So it's a matter of trying to better match and doing some more work. Well, in the past you made about a similar beach drinking. Sipping a nice cocktail, or something like that, and earning your billion dollars a year. But now you've actually gotta do some work. So it's like welcome to the real world everyone.

Michael Cyger: Yeah. Alright. We're gonna dig into each of these steps that we went over. But if someone was to watch this show, Michael, you know, and they wanna know, if I invest the time in watching this show, and listening to Michael, and taking what he says to heart, and I go and do this stuff, and I buy the domain names, and I modify my portfolio, and I have the domain names that he's recommending, what can they expect as a return on their investment? What's a good; what would you expect to be a good return on investment from parked domain names?

Michael Gilmour: If I didn't get a fifty percent return on investment, I'd be very concerned. That's the bottom line; is that you can buy portfolios, now, for around two years revenue; and there's some risk associated with that, so make sure you know who you're buying from. You need to do some

appropriate due diligence. But it's around two years revenue, so fifty percent return is what I'd be looking for.

Michael Cyger: Okay. Alright, great. So, Michael, before we get into the details of this, I wanna go back a little bit in your history, and find out how you got to this point, and how you know so much about domain name parking. So let's go back for a moment. I'm gonna go back to about 1998. You just graduated with a Masters Degree in Business Administration from what I understand, and you wanted to get in this thing that was coming out, called the Internet. And so, you bought some modems, and you started your own ISP. Tell me about that.

Michael Gilmour: Yeah. Boy, you're taking me down memory lane here. I remember that. It was actually my marketing group in the middle of my MBA. And we had the opportunity to study photocopy paper or the Internet as our marketing project. And the other guys in the group said; we call made a very important decision. And that was to study photocopy paper. And we ended up with a high distinction for the subject, but this thing called the Internet really bugged me. Because I've been involved in the bulletin board systems back in the eighties and stuff, and I thought there's something about the Internet. And so, I thought, well, if you wanna learn something, become it. So I founded an ISP in the back room of my house.

Michael Cyger: Yeah.

Michael Gilmour: And in the end, I had like a cord of phone lines about that big, you know, coming. It'd been pulled into my house, and I had a wall of modems. And every now and then I'd bring my friends into my back room, and it'd be like Starship Enterprise here. I'd turn on the sound for the modems, and they go [sounds of modem] continuously. And I said to them, 'That is the sound of a cash register'. And I was getting like five bucks an hour. It was like they were the days.

Michael Cyger: Five bucks an hour you're making at your ISP?

Michael Gilmour: Yeah, and I was running out of the back room of my house, thinking, 'How good is this?'

Michael Cyger: Yeah. That's pretty good.

Michael Gilmour: Yeah, but..

Michael Cyger: Five bucks an hour. You're talking about five bucks an hour per line, not five bucks an hour across all the lines that were coming in on this bundle.

Michael Gilmour: Oh, no, no. Five bucks per line.

Michael Cyger: Per line. Right.

Michael Gilmour: Yeah, absolutely. And so, it was like, every time I would turn the modem sounds on, and I'd go, 'That's the sound of a cash register'. It was wonderful.

Michael Cyger: Yeah, and I'm so sad that my kids are never gonna have the pleasure of starting up their computer, and then connecting to their 56K BOD Modem and hearing that beautiful sound connecting.

Michael Gilmour: Fifty-six? That's fast! I was doing thirty-three.

Michael Cyger: Wow.

Michael Gilmour: Yeah, so that was an interesting experience.

Michael Cyger: So, how big did you build that business, Michael? How many customers did you have?

Michael Gilmour: Oh, I'm trying to remember; some thousands of customers.

Michael Cyger: Thousands.

Michael Gilmour: Yeah.

Michael Cyger: So, what was your revenue at the end of that business?

Michael Gilmour: Oh, you're asking me to remember a long time ago. I was doing - let me think how much -. I can't even remember now.

Michael Cyger: No?

Michael Gilmour: I really can't. In the end, I grew that business; we had twenty-three staff.

Michael Cyger: Wow!

Michael Gilmour: I got some venture capital, which was an experience in itself. If you've ever raised venture capital before, it's always an experience. And we predominately was for developing an online advertising system. And we call it active information. And so, what would happen was; is that the money would come in in (Unclear 8:43.2). And I remember I put my hand out one day, and the people that invested was actually Compaq Computers.

Michael Cyger: Oh, wow.

Michael Gilmour: Yeah, yeah. So I put my hand out for my next (Unclear 8:54.6) of money, and they said, oh, look, essentially if you read between the lines, it was like, 'Michael, we're emerging with Hewlett Packard. And we're cleaning up these small investments. And your 1.6 million you're expecting; it's just not gonna come'. And I go, 'Well, we're under contract'. And they said, 'Yeah, we know, but you know, we got like three hundred lawyers and a few hundred million dollars worth of legal fees we've allocated to deal with risk stuff, so, nah, it's not coming'. And I looked around, and business models ran because research; a lot of it was research. Was to run down a cash down to zero, and then you put your hand out for the next bit of money you expected, and so forth; until you commercialize the product. And so, You're trying to fill at one point a six million dollar hole in a few weeks. Pretty difficult.

Michael Cyger: Yeah.

Michael Gilmour: And so, I had to close that business. I just about lost my house.

Michael Cyger: Wow.

Michael Gilmour: In that process. It was not a pretty situation.

Michael Cyger: What year was that roughly, Michael?

Michael Gilmour: Was it 2001? So it's just after the Sydney Olympics, yeah.

Michael Cyger: Okay.

Michael Gilmour: Right around then.

Michael Cyger: So you had thousands of customers; each of which, every time they connected to the Internet, they were paying you five dollars an hour. So you had a good amount of revenue. You know, I can't count the amount of entrepreneurs that I have spoken to in the past who built up their wealth in ISPs, you know. It's amazing how ISPs grew. How much money - how much cash - they threw off. And then a lot of them got acquired. You didn't necessarily have that exit. When you concluded the business, you were completely out of money?

Michael Gilmour: Yeah, so, essentially what happened was; when we got the investment in, the ISP became less and less of a focus. Because it began to modernize that time.

Michael Cyger: Oh, I got it.

Michael Gilmour: And so, you won't get five bucks an hour. Something like that. In the end, it was getting. It wasn't an hourly rate. It was a fixed fee per month, and all that sort of stuff.

Michael Cyger: Got you.

Michael Gilmour: Yeah, so the money was put in predominantly for an online advertising system, so I cut my teeth on that. And in the process, I became the Vice Chairman of the Australian Internet Industry Association. And in fact, I headed up the online task force; forcing the standards for the whole country. I was the chairman of that. So I learned a lot about online advertising and so forth, and it's during that period of time. And it was very difficult. So when you have a research project, and you run your cash down, and you expect the next cash to come in, you have no where to move.

Michael Cyger: Right.

Michael Gilmour: So we had to close that business and everything. And there were some other smaller investors who got called out and everything, which was not a pretty scene, but it was great news later. Those same small investors did some further investments with me. Because they said, 'Look, Michael. It's one of those things that happens in business, and no one can do anything'.

Michael Cyger: Yeah.

Michael Gilmour: Yeah. So that was nice so much to me. Because you wonder what people think.

Michael Cyger: Yeah. No, definitely. And so, at the end of that period of your professional career, you found yourself without your company, without a savings nest egg, almost without your house, without a job, but I read you had a hundred dollars to your name.

Michael Gilmour: Yeah. Well, just to be clear on that. It took us quite some time to save up that hundred dollars. Yeah, it was just that we literally had like a hundred bucks. And we saved that. My wife and I had saved that up to go out for dinner. It was like a big thing to go and have a nice dinner. And I began to look at this domain thing. And I thought there's something about domains. And I blew the hundred bucks.

Michael Cyger: What did you buy?

Michael Gilmour: I bought a domain. It was Bigpap (dot) com.

Michael Cyger: Bigcap? C-A-P?

Michael Gilmour: Bigpap. P-A-P.

Michael Cyger: Bigpap (dot) com.

Michael Gilmour: (dot) com. And I remember buying this domain. And I had bought it on one of the forums from some person who had it, and I really knew nothing. And I remember the next day, and I parked it. I was like one of the very first people to do parking.

Michael Cyger: Where did you park it at the time?

Michael Gilmour: I parked it at Ceto.

Michael Cyger: Okay.

Michael Gilmour: I just liked them. I don't know. I was one of their first customers.

Michael Cyger: Yeah. Yeah.

Michael Gilmour: And I remember the next day. I remember earning like fifty cents. Like, let me tell you. At that point in time, I had an epiphany. And I thought I suddenly made; I felt like I'd just fall into a pool of money. And I called up all my friends and everything like that. And I must of my very understanding wife, and I said, 'Guess what? We made fifty cents! Someone clicked on our name, and we made fifty cents!' And she goes, 'Was it you?' I said, 'No. I didn't click. It's not the right thing to do', and all this different stuff. And I remember calling up and some of my friends would say, 'Come on Michael. Go and get a job'. I said, 'No, no. There's something about this'. Because the thing I understood was that I earned the money, and I actually didn't have to do any effort after acquiring the domain.

Michael Cyger: Right.

Michael Gilmour: Yeah. So, I then looked around the house, and we sold everything we possibly could. Like, including the kids slide at the back; their slide. We sold everything, and get every penny and poured it into domains.

Michael Cyger: Wow! So let me get this straight. So you went in the backyard. You saw the play system you bought a year before for your kids. You said, 'Sorry kids. There's a school down the street you can go play at', and you sold that. Sold your Walkman. Whatever you had, you sold. And how much did you raise? How much did you raise?

Michael Gilmour: Well, it was across a period of time. We probably raised about five thousand bucks or something like that. It was like I had this thing that just said, 'I need cash now!' And I couldn't get credit cards. Because we essentially had no income or anything. So I couldn't (Unclear 15:02.8) from those sources. So I just got it.

Michael Cyger: So over a period of time, how long did you raise the five thousand dollars?

Michael Gilmour: Over a few months.

Michael Cyger: A few months. And then, what did you do with that five thousand dollars?

Michael Gilmour: We just bought domains. Let me tell you the story. The second domain I bought was; I think it was - from memory - RBCMP3 (dot) com. It was something like that.

Michael Cyger: RBCMP3 (dot) com. Something like that.

Michael Gilmour: It was something like that. And that made me precisely zero money. And I reregistered that domain every single year because it reminded me to ask the question, Where does the traffic come from? It was a russian music site, and you really couldn't monetize that traffic at that time.

Michael Cyger: Yeah. Wow.

Michael Gilmour: Yeah. So it was like an eight buck training course I went on every year; to remind me to ask where the traffic.

Michael Cyger: So we're gonna get into why Bigpap (dot) com even made fifty cents to begin with, but I'm gonna put that aside for right now. So the rest of the story is, you saved up five thousand bucks over a few months. And then you put it all into domains. Do you remember how many domains you owned after you spend that five thousand dollars?

Michael Gilmour: I can't remember.

Michael Cyger: No?

Michael Gilmour: I really can't. What actually happened is that - I remember this distinctly - I got to earning. Like, I was acquiring domains. And back in those days, you were looking at Alexa. You were looking at Overture rankings. All that sort of stuff. Yeah, and you do whatever you could to be able to source the traffic. And so, what I then did was, it raised the portfolio up to about twenty bucks a day. Sorry, two bucks fifty a day. I called up my brother. And I said to him, 'Guess what? I'm earning two bucks fifty a day from my portfolio'. And he said, 'Michael, you can now buy like a burger a McDonalds and a coke. Come on, get a life'. Then it went to like twenty-five bucks a day. Then fifty bucks a day. And I kept on reinvesting; just constant reinvestment. And then a hundred bucks a day. And about a hundred bucks a day, people started going quiet. Like they were just completely like slinging off at me up until then. Then a hundred bucks a day. And at about two hundred bucks a day, all my friends wanted to get involved. And then at about four hundred bucks a day, I began to get calls from people saying, 'Heck, you're in this interesting business'. And I'm thinking, 'I haven't spoken to you in like ten years'. And they all say can you get me some domain names. And I'd say to them, 'No. I'm getting them for myself'.

Michael Cyger: Right. Exactly.

Michael Gilmour: And it just kept on growing from there. And it just kept on going up, and up, and up.

Michael Cyger: So you started with five thousand dollars worth of domains, and you were making two dollars and fifty cents a day, then twenty-five dollars a day, then a hundred dollars a day; reinvesting the profits that you're making off the portfolio. Here's the question that everybody wants to know. How did you pay your bills? How did you have kids? Why didn't your wife divorce you? You know, if you're spending all your money on domains, how did you make your life work?

Michael Gilmour: Yeah. Yeah. Well, that's an interesting question. I think my wife is too busy working herself, just to make sure we paid the bills, to divorce me, so.

Michael Cyger: That works out. If you don't have any money to contribute to the family because you're reinvesting it and everything, then your spouse or your partner has to work twice as hard.

Michael Gilmour: Yeah. I was also doing. I actually do some consulting type work in that sort of stuff in the space. I understand the Internet and how it works. And so, as well as doing all these things, I was doing that sort of stuff as well. And that was pretty full on.

Michael Cyger: Alright.

Michael Gilmour: So I was working eighteen hour plus days. On domains, I wasn't just a hundred percent domain because I couldn't afford to be, as you said. Like, how do I turn my computer on if you haven't paid your power bill?

Michael Cyger: Right. Exactly. If they shut off the Internet, you can't buy domain names.

Michael Gilmour: Exactly. Yeah. So it was. Like, we even went to the stage, and we rented our lounge room out to another business. So we had another business for a period of time running in our lounge room in order to raise cash.

Michael Cyger: Wow.

Michael Gilmour: So when I say we raised cash, I mean we did anything. We had students stay with us. Like, foreign students would come. They'd need to stay for like a few weeks or something like that. And so, we had a house full of foreign students as well.

Michael Cyger: Wow. Alright. So before we jump into these points that we talked about in the intro Michael, I need to ask you, how many domains do you own today? And how many of them are parked?

Michael Gilmour: Okay. About ninety-nine percent of my domains are parked, or are being monetized in some way.

Michael Cyger: Yep.

Michael Gilmour: I personally own about five hundred domains now. Maybe part of my story I should say, I sold out a whole lot of my portfolio.

Michael Cyger: Okay.

Michael Gilmour: But I'm involved in portfolios of about twenty odd dabs and thirty thousand domains.

Michael Cyger: Okay. So you personally own five hundred. I assume that you park them all with Park Logic, your company?

Michael Gilmour: Of course.

Michael Cyger: Okay.

Michael Gilmour: Why wouldn't I? It's the best place.

Michael Cyger: Are you willing to go on record and tell the audience how much you earn from your parked domains?

Michael Gilmour: They heyday, or now?

Michael Cyger: Both.

Michael Gilmour: I prefer to keep.

Michael Cyger: Let's talk about the heyday. During the heyday, this was in the past. It's not being done anymore. What was the highest revenue that you earned per day on your domains?

Michael Gilmour: Thousands a day.

Michael Cyger: How much?

Michael Gilmour: Thousands.

Michael Cyger: Thousands. Ten thousand? Five thousand?

Michael Gilmour: Yeah, I'll leave it as that. That's pretty enough. Put it this way. The electricity bill was paid for.

Michael Cyger: Alright. So in the heyday, you earned thousands of dollars per day on your domain names, of which you may of actually owned more at that time since you've mentioned that you've sold off. Are you willing to say how much you earn today on average, per day?

Michael Gilmour: No.

Michael Cyger: Okay.

Michael Gilmour: Enough. Let me tell you what I've done. I've moved from an active manager of my domains, to an investor. And so, what I've done is, although I have the company Park Logic; it manages all domains. But from personal perspective, I just get a return on my investment.

Michael Cyger: Right.

Michael Gilmour: Yeah. I used to completely outsource that. And so, I don't have to think about my domains anymore or anything. I just know that the systems process this stuff, and all the systems handle it.

Michael Cyger: Well, let me ask you this then. What your return on investment for your five hundred domains that you own today?

Michael Gilmour: Oh, my return on investment. A few hundred percent per year.

Michael Cyger: A few hundred percent per year. So at least three hundred percent per year.

Michael Gilmour: Yes.

Michael Cyger: So if you own one domain, and you paid a hundred dollars for it, you're getting three hundred dollars per year on that one domain.

Michael Gilmour: Yes.

Michael Cyger: Okay. And you own five hundred domains, and you spent a lot of money for it; most of which probably weren't hand registrations.

Michael Gilmour: So the majority of my domain investment, now, is actually a part of a (Unclear 22:37.0) kit, who has a share of portfolio domains.

Michael Cyger: Got it.

Michael Gilmour: Portfolio of domains actually.

Michael Cyger: Alright. Well, hundreds of percent sounds much better than the one percent I think I get from my savings bank here in the United States, and definitely better than the maybe five or six percent that I'm getting from my portfolio right now. So let's jump into the recommendations for maximizing parking revenue. In the beginning, we talked about a few different things that we need to do. You said that the first thing that needs to be done is you need to own domains that get traffic.

Michael Gilmour: That's correct.

Michael Cyger: Alright.

Michael Gilmour: That's actually critical. The number of people who come to me that say, 'Michael can we go, and I want you to monetize our domains'. I say, 'Fantastic. Do they have traffic?' And they say, 'No'. And I go, 'Well, what does the advertiser want?' You know, it's sort of like, come on. And they say, 'Well, we thought you could just wave your magic wand and suddenly we'd start earning money'. And so many people have been burned because they just go along and they get excited about domains, and they just start registering domains, and they have no relevance for advertisers; no traffic. It's bad news.

Michael Cyger: Okay. So let me ask you this. I don't even.

Michael Gilmour: Where do you find them?

Michael Cyger: No. I'm gonna take five steps before that! I don't even know if my domains are getting traffic. I know, I'm terrible. I am the worst. I am a domain developer; that's my only excuse. I don't even know if some of the domains I own are getting traffic. They don't resolve. They don't do anything. What do I need to do first?

Michael Gilmour: The first thing you do is you need to get those numbers. And you get those numbers from, like. As a domain developer, using Google Analytics.

Michael Cyger: Well, but most of them aren't even on web sites. And I can't even put it in Google Analytics. What do I do to see if it's even getting traffic on any of the domains?

Michael Gilmour: Send the domains. Just park the domains.

Michael Cyger: Park 'em any place. I can go to your company's Park Logic. I can go to Ceto. I can go to GoDaddy. Park 'em, and they'll give me free information on what kind of traffic.

Michael Gilmour: That's correct.

Michael Cyger: Okay. So I get them parked. What kind of traffic do I need to see in order for it to tell me that I should be doing something with this domain?

Michael Gilmour: Okay. The rules that we apply is that if a domain has one unique per day, you wanna keep that domain.

Michael Cyger: That's it. One unique per day. And not me; somebody else.

Michael Gilmour: Well, if it makes eighty percent of the registration cost, we would re-register the domain.

Michael Cyger: Okay. Alright. What if it wasn't hand registered? What if I bought it for fifty bucks off DN Forum?

Michael Gilmour: For what purpose?

Michael Cyger: I thought it was gonna make some money. I went and parked it. If it doesn't get eighty percent of that fifty dollars that I paid for it, is it worth keeping?

Michael Gilmour: No, I say it's eighty percent of the registration cost.

Michael Cyger: Okay. Whatever I paid to register it every year. The ongoing registration.

Michael Gilmour: That's true. The ongoing.

Michael Cyger: Okay. I got it. So at least one unique visitor per day. That doesn't seem like a very high threshold to get over.

Michael Gilmour: No, it really is if you think about it. You've gotta make say, eight bucks, eight bucks fifty per year on (dot) com. Depending on what you're paying for registration fees. Yeah, so it's evidently doable with one unique a day. And if you get twenty cents a click, and you have let's say ten percent click through rate, then it's close enough to eight bucks, you know. It's very close

Michael Cyger: Okay. Alright. So, I take my domains; I move them over to a parking company. I see how much traffic they're getting. If they're getting traffic, then. Or let's stop there. So if they're getting traffic, then I wanna park 'em. If they're not getting traffic, don't renew 'em, right? Or try and sell them somebody else.

Michael Gilmour: That's correct. I think that the important thing to always ask yourself is, what is the business model that you're using for your domains? Is the business model, this day, a very, very good brandable domain that you managed to acquire somehow, and so you wanna sell it for a million bucks? Or is it a traffic domain, which you're gonna go and park? Or is this particular domain just a whole series of them, which like stock items that shot, and you wanna sell them for like seven hundred bucks a shot, which is roughly the average price; a thousand bucks a shot for a domain for a small business. And so, you wanna move your business model from a one percent per year stock turn to two percent year stock turn. So that's the thing you need to be very really clear on is for your domains, is what you actually have as your business model.

Michael Cyger: So I get that. And everybody that's doing domain name investing, I agree, they should have a business model. But in all three of those. But they don't; I agree. But in all three of those cases, until they're making money or whatever, until they decide what they wanna do, or until they find a small business owner to buy it, they wanna park it and earn some revenue.

Michael Gilmour: Well, absolutely. Like, let's face it. If you're not parking right now your domains, you're earning zero. So anything above zero is good. I'm a pretty simple guy. Anything above zero is a good number.

Michael Cyger: So I park my domains, Michael. I, you know, I like my domains. I don't wanna give 'em up even if they're not making any money because I bought 'em because I have a business idea for 'em, or I think it's just a great brandable domain name. But let's say I wanna go out, and I actually wanna acquire. I wanna diversify my income stream. I'm holding on to some domain names, which I know aren't gonna generate revenue, but later on I'm gonna hopefully sell for a nice little A. But I wanna have some domain that I don't wanna sell. I just wanna keep them for parking. What kind of domain names do I wanna buy that I know are gonna do well in parking?

Michael Gilmour: Yeah, that's a really interesting question. Look, the best domain names to buy - and people hate me saying this - is typos. Typos of keywords and things like that, so you're not infringing trademarks. Or some people buy typos of trademarks, which I think it would inherit a legal risk.

Michael Cyger: Yeah.

Michael Gilmour: They really do. And particularly a lot of the trademark owners are becoming more aggressive around that. But typos of keywords is fine. Or you can get keywords; it's good. Personally, I actually didn't invest a huge amount of money in (dot) COMs. I looked at the rest of the world, said, 'Look. I'll let everyone fight over (dot) COMs, and I'll have the rest of world thank you very much'. So I went and got CO.UKs, DEs, ATs; all that sort of stuff. So I looked at the rest of the world, and said, okay, where is there very large economies. I also looked where there's a high penetration of credit cards. Because then the advertiser who buys with their credit card online advertising can then seek a return, because they got a web site where people are buying with credit cards. And so, I looked at that. And I began just to buy up in those jurisdictions, and I let everyone else fight over (dot) COMs. Just go for it guys. So I bought a lot of (dot) ESs; a lot of IN, for India. And I found that they were extremely lucrative (Unclear 29:55.9). But the interesting thing is it's sort of like the (Unclear 29.58.7) analogy. While everyone else is trying to build them on, which is like three miles deep with all this sort of stuff, I'm there strip-mining other countries. So it was just a (Unclear 30:11.3) goal. Just lying around the place. Still no ones doing anything about it because it's not a (dot) com so it can't be good. And I'm thinking, I go to these conferences year, after year, after year, and everyone

will only talk about (dot) COMs. Take a look at the auctions at the conferences, and there's only (dot) COMs.

Michael Cyger: Right.

Michael Gilmour: And I just smile. I just sit back. And I'm there with my European friends in particular, and we're just smiling. And we're going, 'Keep going. Just keep emphasizing (dot) com'. And let me tell you, we're just buying up everything.

Michael Cyger: Alright. So now everything's bought because of guys like you and your friends that went into auctions in other countries besides the US and bought 'em all. So what is a new entrepreneur, who's trying to get out of their daily job, Michael; they don't wanna be in the rat race anymore. They wanna control their own destiny. What kind of domain names can they buy today? You said make by trademarks, if you're willing to risk legal action, which, you know, I do not recommend.

Michael Gilmour: No, I'd steer clear of them.

Michael Cyger: By typos of generic words.

Michael Gilmour: Yeah.

Michael Cyger: So, if somebody's typing in diapers, which, you know, we go through a lot over here with a one year old in my house, getting some sort of typographical error of diapers; if it's not a trademark, which I don't think it is. I know it was bought my Amazon - Diapers (dot) com. So that would get more traffic because people are just mistyping things. Are there any general rules regarding typos that people should?

Michael Gilmour: What you gotta understand is that most people, like I'm talking about the professional domainers.

Michael Cyger: Yeah.

Michael Gilmour: They build typo machines. And they said, okay. I'm going to typo every single word in the English language, and you'll see if that domain has traffic; that particular domain. And when I say strip-mining, there is people who are doing this with millions of domains a day they are testing.

Michael Cyger: Yeah.

Michael Gilmour: Yeah, okay. So, they are just completely going for anything that moves the traffic. So if I was to say to someone, what would you do to buy a registered domains, I would go to CCTLDs. Okay. Because particularly (dot) com has been completely stripped out. I would also then play it into trends. Like, you pick up your newspaper or something of value; look online. You suddenly see there are these different strange words.

Michael Cyger: Right.

Michael Gilmour: I go and I'd begin to sort of buy some domains around there. Like, solar energy and that sort of stuff, for example. You see a trend happening there. Or you can go into some of the forums and things like that, and rather than buying individual domains, you buy a portfolio of domains. And your pay could cost two to three years revenue or something like that; depending on the quality of the portfolio. Like, I must admit, like when I buy a portfolio, now, of domains, or any domains, we put them into the Park Logic system, and it allows us to bench mark them against an industry risk index we've created; which we allow all of our customers to see. So it gives us an idea of the financial risk of a particular portfolio.

Michael Cyger: Okay. So if I'm gonna buy a domain portfolio, the general rule that you think is a good measure and practice is to look at the revenue for that portfolio over a year, and then pay two times that.

Michael Gilmour: Yeah, two times that; two and a half times. That sort of stuff. That sort of range.

Michael Cyger: Yeah.

Michael Gilmour: Like the market will be what the market is. And sometimes you get distressed sellers, and sometimes you get what you want.

Michael Cyger: There are quite a few distressed sellers unfortunately. Just due to the market conditions. So you might be able to pick up a decent portfolio now.

Michael Gilmour: Oh, absolutely. Like there's a lot of people who they bought their portfolios in the past based upon raising capital either via equity or raising capital with debt. And now, say some of their parking earnings has gone down, and so now they're struggling to pay debts and so forth.

Michael Cyger: Right.

Michael Gilmour: And that becomes a really big issue. And so, they're willing to sell. They're selling the capital value.

Michael Cyger: Yeah. Yeah. Okay. So we talked about which domain names are the best domain names to focus on. And then your next step was there was once you get the domain names, you need to figure out how to monetize them.

Michael Gilmour: Yeah. The number one rule is this: do not put all your domains with a single provider; a single parking company. Do not. If you do that, you are losing money. I tell people this over and over again. I feel like I'm a broken record. If you put all your domains with a single place, you are losing money. And you may have made if you say, 'Well, Michael. I'm not losing money because I was earning ten bucks a day at this one place. I moved to another place, and now I'm earning twelve dollars a day. So I'm not losing money'. Okay, no. What you need to understand is on a domain by domain basis, some will do better and some will do worse. So what you actually wanna do is break apart your portfolio, and find out where they're all doing better. And by the way, that changes on a daily basis.

Michael Cyger: Yeah.

Michael Gilmour: So it's a complex thing. And I recommend to people that to manage your own portfolio in today's day and age, is a bad idea. Don't. You get your spreadsheets out; all that extra stuff. My recommendation is, go to one of the aggregators, whether it's Park Logic, whether it's any of the others - I don't really care -, but get your domains, go with someone which has built systems over years, which allows you to go on, spread your traffic to the highest paid solutions.

Michael Cyger: So you wanna go with a provider that monetizes through different opportunities.

Michael Gilmour: Yeah.

Michael Cyger: And they have a logic. They have algorithm that should optimize this domain goes best for Legion; this domain goes best for Google Adsense; this domain goes best for this revenue stream.

Michael Gilmour: Yeah.

Michael Cyger: And being able to optimize those.

Michael Gilmour: That's correct. So they've built a system, which allows the optimization of the traffic.

Michael Cyger: Okay.

Michael Gilmour: Now the thing you need to understand about that is that optimization of traffic is as much about revenue loss minimization as it is about revenue maximization. Let me explain. Let's imagine I've got a domain; I'm earning a dollar a day for one place. And I'm thinking, 'Well, maybe this other place will allow me to earn more'. So I send a bit of traffic over there, and it earns eighty cents. That information has cost me twenty cents. So how can you get that information, but at a reduced cost? And that's really what true optimization is all about. And we've spent; I've spent now probably six years doing this sort of thing.

Michael Cyger: Yeah.

Michael Gilmour: And Park Logic the last five years. So it's a tough, tough job.

Michael Cyger: Yeah.

Michael Gilmour: Requires lots of computing power. And to be able to do all this.

Michael Cyger: Right.

Michael Gilmour: But if you're not doing something like that, then I can actually guarantee you're losing money.

Michael Cyger: So you say not to go with one parking provider, but is that even a good solution? Isn't a better solution to go with an aggregator? Somebody that, you know.

Michael Gilmour: Yes.

Michael Cyger: Because if I go to just one provider, and to be honest with you, I don't even know enough about the parking situation to say company A only uses Google AdSense, you know. Isn't it better to go with an aggregator that could say I use AdSense; I use two different type of layout systems; I use, you know, provider B,C, and D, and advertisers A and B, and you know, brings it all in? I can't just use that solution. I need an aggregator solution.

Michael Gilmour: That's good. Let me separate things out. You've got Parking companies, and the typical parking company will have a single advertiser source. Like, a Google or Yahoo.

Michael Cyger: Okay.

Michael Gilmour: Typically would be. Alright. Then you're gonna have the aggregators, who just sit on top of them. And realistically, what an aggregator does is they traffic in, and they say, 'At this point in time, for this day, who's gonna pay the most for this traffic'. It's like an auction system on domain by

domain basis. Who's gonna pay the most. And I know that's what we do, so we then send the traffic to those places.

Michael Cyger: Okay.

Michael Gilmour: This is a number of benefits for a particularly new domainer. The first benefit is you get to be a part of somewhat a scale. So we're managing hundreds and hundreds of thousands of domains right now. But if you go in with your three hundred domains and say to a parking company, 'I'd like a really good deal', they'll smile politely and say, 'Yeah, we give you the best deal you're gonna get'. And people are like, 'Really? Woah'.

Michael Cyger: Right.

Michael Gilmour: And if you go and put domains with an aggregator, you automatically get part of the big deal. Because the aggregators have got such a scale.

Michael Cyger: Right.

Michael Gilmour: And so, I would recommend, just for that; forget all the optimization, if you get all the traffic and stuff like that, do that. The aggregator will take a cut of the action. It's worth every penny.

Michael Cyger: Yeah. Okay. And how many?

Michael Gilmour: If you ask for someone else, I don't care. But it's worth every penny.

Michael Cyger: So, not to make this a promotional video for Park Logic, but how many revenue sources do you plug into your system? If you had to count them all, how many do you have? How many are there?

Michael Gilmour: Over time we probably use about twenty to twenty-five sources.

Michael Cyger: Okay.

Michael Gilmour: Right now we've cut it back to about ten sources of revenue.

Michael Cyger: Okay.

Michael Gilmour: And the reason why is this. The more sources of revenue you have, the more testing you have to do, and the more twenty cents's you lose.

Michael Cyger: Right.

Michael Gilmour: From the example before.

Michael Cyger: Right.

Michael Gilmour: So you actually want. It's a very sophisticated algorithm on how you gain information and not lose revenue.

Michael Cyger: Yeah. So if I give you one domain, and you look at it, you may say, 'Well, it's similar to this domain over here. So I can minimize these revenue sources, and then do less testing to get you to a maximum revenue'.

Michael Gilmour: Yeah, there's all sorts of things that we do.

Michael Cyger: Yeah.

Michael Gilmour: There's stuff such as you never send the same IP address to the same parking provider within a twenty-four hour window.

Michael Cyger: Interesting. Okay.

Michael Gilmour: Because they don't count the second (Unclear 40:51.4).

Michael Cyger: Right. So that's one way that you maximize the revenue for the domain owner. Okay.

Michael Gilmour: We do many interesting things like match lunch time in Berlin with lunch time in LA. Because you wanna be able to work at different times when advertisers are working and that sort of stuff. So there's a lot of sophistication in what a good aggregator will do.

Michael Cyger: Alright. Great. So we talked about buying good domain names, and which domain names might be better. We talked about not putting all your eggs in one basket; don't go with one provider. When you go with a provider, go with an aggregator that can dynamically drive traffic to the highest bidder. We also talked in the pre-interview, Michael, about best matching the keywords to the traffic that's coming to that domain name.

Michael Gilmour: Yeah. Yeah, a good aggregator should be able to do a lot of this work for you. Is that they've been tracking keywords for years, and years, and years, and that sort of stuff. And so, they should automatically begin to put this into place for you. You wanna get relevance. So increase the click through rate to make sure you're matching the traffic to the advertisers. And the second thing you wanna do is then find out what is the highest paying keyword in that. And by the way, that changes all the time.

Michael Cyger: Right.

Michael Gilmour: You can't set your keyword and say forget it. It changes all the time. So there needs to be systems in place. Like, personally, if I was to get into the domain industry now, I would definitely go with an aggregator who had all the tools - the system - to do this. Because then you can treat it as an investment. You know it's being looked after. You put the domains over here with this aggregator and they're doing all these things. And then you can go along and spend your time trying to find better domains.

Michael Cyger: Right.

Michael Gilmour: Yeah, and developing more competency in finding the domains. And spend the time doing that. And then push them across.

Michael Cyger: Got it.

Michael Gilmour: That's what I would do right now. And that's forgetting of I'm involved in Park Logic and stuff. So it just makes logical sense.

Michael Cyger: So if I wanna focus only on the domains that are generating good revenue from parking, I can follow these steps. I can move them over to an aggregator like Park Logic. I can let you do your work. And then I can focus more on buying more domains, or taking whatever earnings I have and focus on buying more domains. And my benchmarks are if they're getting at least one unique visitor per day or I'm generating eighty percent of my registration cost for that domain per year; then it's probably a good domain name to keep.

Michael Gilmour: Absolutely.

Michael Cyger: Okay.

Michael Gilmour: Absolutely. So I would definitely be looking to domains that have that sort of profile.

Michael Cyger: Okay. Sounds good. So when it comes to parking today, Michael, how much should somebody spend on a domain name that they're expecting to monetize with parking?

Michael Gilmour: I lost a piece of string. If you a domain name's doing ten thousand uniques a day, you know; like ten thousand uniques a day, then, you know, it's how much do I wanna spend, because that domain may earn me a thousand bucks a day.

Michael Cyger: Okay. Let me phrase it this way. If I bought a domain name today, I should expect to receive fifty percent of that investment per year. That's the benchmark that you use, right?

Michael Gilmour: Yep.

Michael Cyger: Okay.

Michael Gilmour: If I was buying from someone else. If I was registering a domain name - hand registering -, typically speaking, you're looking at about a return.

Michael Cyger: Okay. So if I hand register it, it's completely clear. I'm making my own judgment. I'm buying that domain name. I move it to a service like yours. I measure how many uniques per day and how much revenue I'm generating. It's cut and dry; black and white. I know whether I'm gonna keep it or let it drop.

Michael Gilmour: Yes.

Michael Cyger: I wanna buy a domain name from somebody. I think it's gonna be good. It's got insurance in the word. It's relatively short. Whatever my reasons for buying the domain name. How much should I spend on the domain name given I don't know what kind of information that domain name has? You know, the current owner is on a discussion forum, let's say. Let me give you a scenario. He's on a discussion forum. He says that it gets some traffic. I ask him for revenue. He says he doesn't have any revenue numbers. What do I do when I wanna buy a domain name, I'm gonna spend more than registration cost, and [Sorry. My video just blanked out.] I wanna make a good decision for buying that for parking, Michael. What do you recommend?

Michael Gilmour: Okay. What I think you're actually asking is this. It's a couple of questions. The first one is due diligence. How do I know what I'm buying is actually what I'm really buying?

Michael Cyger: Right.

Michael Gilmour: Okay. If I'm buying a forum, the first thing I'd look at - you go to DM Forum, or something like that - is how many posts has this person done.

Michael Cyger: Okay.

Michael Gilmour: And you can see; if they've done like a thousand posts, you know that they're an established person.

Michael Cyger: They've been around for a while.

Michael Gilmour: Yep.

Michael Cyger: Okay.

Michael Gilmour: Exactly. So don't buy from strangers. That's the rule. That's the first thing I'd look at. If someone cannot provide you with revenue stats, or they can't provide you with traffic stats, I would be very, very nervous.

Michael Cyger: Because if they had traffic, there's no reason they shouldn't be monetizing it.

Michael Gilmour: If not, it could be all bots. It could all be electronically driven, so it's like the reason why they're not showing you revenue stats is because there isn't any.

Michael Cyger: Okay.

Michael Gilmour: So the only time I'd ever buy a domain which just had traffic stats would be if I was buying off a personal friend.

Michael Cyger: Okay. So if you knew them and trusted them, that's one thing. But if you don't know the person, they gotta provide traffic stats and they have to provide revenue stats.

Michael Gilmour: Yep.

Michael Cyger: Otherwise you wouldn't buy it personally.

Michael Gilmour: I wouldn't buy it.

Michael Cyger: Okay. So when they provide you the traffic stats, and it says that there's five unique per day; and they provide you the revenue stats, and it

says it's making two hundred dollars a year, you would probably pay four hundred dollars for that domain name.

Michael Gilmour: Yeah, four to five hundred bucks for that domain.

Michael Cyger: Okay.

Michael Gilmour: And it depends. Like the other thing I would look at is it trademark infringing? If it's trademark infringing, then I go, 'Oh, hang on a second here'. Or if they say typo of a keywords, so there's no legal issues over it, then that alters the (Unclear 47:23.4) profile.

Michael Cyger: Definitely.

Michael Gilmour: Yeah, so I'm very wary of the trademark type situations.

Michael Cyger: Okay. So that makes perfect sense. So we're talking return on investment that you wanna see fifty percent per year. Alright. So I was looking through. I receive a few different newsletters per day, which I think a lot of domain entrepreneurs do. They sign up for the newsletters. They come in. They're sort of an amalgamation from a broker of multiple domain names that were for sale. My inbox showed an email today. It was a three letter domain name. It looked like decent letters. And you know, three, four letters have a good price; three letters have even better. I think it was listed for about twenty thousand dollars.

Michael Gilmour: Yep.

Michael Cyger: And they said that it generated a thousand dollars per year in parking.

Michael Gilmour: Yep.

Michael Cyger: With two thousand type-ins per month. Good buy or not a good buy?

Michael Gilmour: Okay, there's a couple of things about this. If I was buying it purely on the parking revenue, it's a bad buy. And because why I'm getting a twenty year return investment here. I'll put my money somewhere else.

Michael Cyger: Alright.

Michael Gilmour: But if I'm buying it because it's a good three letter domain, which has a generic value - I'm not sure what the letters were for this domain -, then hey, absolutely. Keep it.

Michael Cyger: Yeah.

Michael Gilmour: Yeah, and go after it. Because your business model then is migrating from one of pure traffic to I think I can sell this domain for more than twenty thousand dollars. That's essentially what you're saying.

Michael Cyger: Right.

Michael Gilmour: Well, I think I can build a site on this domain, which will generate more than twenty thousand bucks a year.

Michael Cyger: Okay.

Michael Gilmour: And you'll take a look at a couple of things. You look at your opportunity cost, and you look at the actual cost. So if you're buying domains saying, you know what? I think this is a great domain. I'm gonna build it out. I'm gonna build a business on it. There's an opportunity cost associated with that, so you gotta take that into account.

Michael Cyger: Yeah.

Michael Gilmour: All those different things. So in terms of pricing, and someone's asking for twenty thousand bucks for a particular domain, those are the sort of things I think about. Look it's a tough one, yeah?

Michael Cyger: Yeah. No, that's great advice. Because I was intermingling two separate valuations. You know, one is the valuation based just on the

parking, and then the other one is the inherent value in a three letter generic domain name; and there's only a certain number of three letter generic domain names available. So it does have a value associated with it, you just have to wait for your payday to show up.

Michael Gilmour: That's the thing; is that you are waiting for your payday. So what you're saying is this domain is worth more than twenty thousand dollars.

Michael Cyger: Yep.

Michael Gilmour: And that's essentially what you're saying. So then you ask yourself today is it worth more than twenty thousand dollars, or is it tomorrow? And if it's tomorrow, then there's time cost value of capital.

Michael Cyger: Right.

Michael Gilmour: Yeah. And so, could I use that twenty thousand dollars for something else versus buying this particular domain?

Michael Cyger: Yeah.

Michael Gilmour: I think that one of the difficulties that occurred over the years, though I saw it anyway, was that you had domainers; they created the aftermarket. And so, they began just buying domains and all that sort of stuff. And you get people; it's like a collection. I remember, as a kid, I used to collect hockey cards and this sort of stuff. And I'd say, 'Oh, I've got that one. I've got that one'. You're very proud because you got the set, you know. And it's the same thing with domainers. It was like an addiction. They would just start buying domains, and it pushed prices up. Yeah, and they look at them; they go, 'I've got twenty thousand domain names now'. They've got a substantial registration bill each year. And they're look at these domain names and they say, 'I'm gonna build them out one day'. And I go, 'You gotta be kidding me! It's twenty thousand domain names! You've got no chance'. This is why I like; I went into the parking space. Because it's scalable. Is that I can park twenty thousand domains. And, you know, I can pick one of those domains, and I actually recommend to people always get one domain you're

passionate about and build it out. Like I have Downwind (dot) com. And down wind is an aviation term that every pilot has to say when they land their planes and everything. And I built a web site on that, because I'm passionate about aviation. I love flying. I'm a pilot as well. And so now I've got thirty percent of the pilots in Australia attend and go to the site each month.

Michael Cyger: Wow.

Michael Gilmour: Yeah. And so, I always say to people, get something you're passionate about and build a business on that. But don't try to say, 'I'm gonna build ten thousand domains'. I've seen, over the years, so many people burn so much money on development, and not get a return.

Michael Cyger: Right.

Michael Gilmour: Because the first question I always ask people and they say, 'Oh, I'm developing this domain'. I go, 'Great. And what's the business model? Where's the business plan?' 'Oh, no, no. I'm developing it'. I go (Unclear 52:36.8) a second here. It's no longer a technological problem to build a web site.

Michael Cyger: Right.

Michael Gilmour: Just get WordPress, Joomla, or something like that. And I work that, I can now build a web site in about an hour and a half. Yeah. So I can build with lots of content; all that sweet stuff. Just there it is.

Michael Cyger: Yep.

Michael Gilmour: Very, very quick. Yeah. So I can go ahead and do all that. So it's not a technology problem. It's a management focus problem. I could build a web site, but how am I gonna get revenue on this thing?

Michael Cyger: Right. Are you generating revenue right now with Downwind (dot) com?

Michael Gilmour: Yeah. Yeah. And the best part about it is because I can run all my flying through that as a business because it's a real business. And so, I get to claim all my flying on tax.

Michael Cyger: Exactly. All your person. I don't know what the equivalent IRS is down in Australia, but clearly it's allowed.

Michael Gilmour: (Unclear 53:32.8).

Michael Cyger: And yeah, exactly. Alright. Fantastic. So come up with the business plan. And then if you love what you do, then you can run your personal expenses maybe through the business if you're using it for business expenses also. Let me ask you this, Michael. Do parking companies charge for their service? You know, if I used a sophisticated parking service that helps me manage my portfolio and uses sophisticated algorithms with managing multiple providers, should I expect to pay money for that like I pay, you know, a money manager to manage my money?

Michael Gilmour: If you're not paying money, don't go with them. Because you'll get exactly what you paid for. Put it this way. If you went to a money manager and you said, 'I'd like to put my money with you'. And you go, 'Well, what's your fees?' And they say, 'Oh, we don't charge at all'. What's the first thing you think? You get very suspicious. Everyone needs to make money.

Michael Cyger: Well, they're making money somehow. Otherwise they're not gonna stay in business.

Michael Gilmour: Yeah, that's my exact point.

Michael Cyger: But the question is, do you pay them a flat fee regardless of whether they make you money or not? Or do they only make money; you know, I know there's money managers out there that only take a percentage of the profits that they produce for you. So they've got skin in the game.

Michael Gilmour: Yeah. Maybe I can talk from Park Logic's perspective, because I can't comment on other people's.

Michael Cyger: Okay. That sounds good.

Michael Gilmour: Okay. Well, what we looked at in the early, early days; we looked at doing a percentage of the upside. And we found just that just ended in tears. Like it's the upside in December; it's the upside in June. Like what are we comparing here, so let's just start. And we said, 'Look. That just doesn't work'. Like everyone gets upset about it. Everyone thinks they're ripped off. So we said, 'Look. Let's take a percentage of the revenue, and we'll take a lower percentage'.

Michael Cyger: Okay.

Michael Gilmour: And so, what we do now is we charge between, or we pay out, between seventy-five to eighty-five percent. Depending upon the size of the portfolio.

Michael Cyger: Okay.

Michael Gilmour: We also charge a twenty dollar a month fee. And the reason why we charge twenty bucks a month is because we don't want; in Australia we have a term called tire-kickers. People decide for (Unclear 55:50.6) end up doing nothing with it. And you sit there and you think, 'Well, I wanna get rid of those people'.

Michael Cyger: Right. Right.

Michael Gilmour: We wanna do business with people who wanna do business, you know.

Michael Cyger: Yeah.

Michael Gilmour: So we start a twenty bucks a month, and it seems to solve that problem. And so between twenty-five to fifteen percent. Fifteen to twenty-five percent we charge.

Michael Cyger: Okay.

Michael Gilmour: And, typically speaking, you get that over, and over, and over again. Plus we developed a very sophisticated platform. Not only that; is when you log into our interface, it says this is how much your domain has made for the month. And then it says, this is how much Park Logic charged. So you had a thousand bucks in a month. Park Logic charged a hundred and fifty bucks or something - whatever it was -, and this is what your payout was. We're completely transparent. You can do the math, and gee, you know what? It's exactly what they said they would charge.

Michael Cyger: Right. Right.

Michael Gilmour: Versus I find. One of the difficulties I find in this industry is the lack of transparency. It is you do not know what you get paid.

Michael Cyger: Right. If I display a Google AdSense banner on my web site, I know I'm getting a check, but I don't know how much they're making.

Michael Gilmour: That's right. I remember I stood at a conference. And I was up there, and I was speaking at one. And I was tossing a coin over and over again. And I said, 'You may be wondering what I'm doing. And I'm actually trying to work out what my parking earning are gonna be next month'. And which is a bit of concern, because people will say to you. Quite a number of parking companies will say to you, 'Oh, you're on seventy percent', or 'You're on eighty percent'. My immediate reaction is eighty percent of what?

Michael Cyger: Right. So, Michael, just to clarify. You're saying you're getting seventy percent. And then you're saying seventy percent of what, because they may have expenses. And they may say, 'Well, my expenses are gonna be higher this month', or 'My expenses are gonna be lower this month'. And they can basically adjust it to whatever they see fit. And they don't have to tell you. They're just saying 'Your net is...seventy percent'.

Michael Gilmour: That's correct.

Michael Cyger: Okay,

Michael Gilmour: That's correct. And the problem that happened when the industry is in the infancy, like a lot of really bad activity was done. Because essentially, the prime (Unclear 58:14.3) set their own EPC rates; earnings per click rates. And when people left the companies, some of this information began to get out. Yeah, it's sort of like, do you realize what so and so is actually doing? They're ripping everyone off and so forth.

Michael Cyger: Yeah.

Michael Gilmour: And you know, it leaves a bad taste in everyone mouth.

Michael Cyger: Oh, yeah.

Michael Gilmour: Oh, yeah. You feel like, 'I'm being completely ripped off here'. And in my blog - (Unclear 58:37.5) blog -, I did a whole series on transparency. And really the biggest blockage for this industry is the lack of transparency.

Michel Cyger: Yeah.

Michael Gilmour: And in any mature market, you have transparency so people know what they're buying. And they know what they're getting. So we took a Philosophical position in Park Logic; is where ever we can possibly be transparent, we be transparent. And so, we say exactly how much we earn. There's no hidden conditions or anything like that. This is what we have. This is what it is. And the number of people who said to us, 'We're so happy someone's actually doing this'. Like the next time you got to a parking company, if you aren't currently parking, I would recommend to all your viewers that they ask their account manager: 'Can you please post up what you guys are actually earning alongside what I'm earning?' They won't do it.

Michael Cyger: Right.

Michael Gilmour: And they'll say thing; 'Oh, we're not allowed to do it because of our upstream advertising providers' and all this. That's nonsense. Just make sure you just get that information.

Michael Cyger: Yeah. And if they say, you know, 'We make roughly twenty percent'. You know, we usually take twenty percent off the top. That's not good enough you're saying?

Michael Gilmour: No. Not good enough.

Michael Cyger: Because what they say isn't what's necessarily happening on the account side?

Michael Gilmour: I'm not. Look. There's a couple of things, here. I'm not saying that parking companies are ripping people off. I'm not saying that at all. What I am saying is, there needs to be transparency. So that everyone can be assured that it is not happening.

Michael Cyger: Right.

Michael Gilmour: If we wanna get half a billion dollars worth of investment into the domain industry, then some guy's gonna stand in a boardroom somewhere and say, 'Guess what? I just found this new industry. It's cool domain names, and traffic, and so forth. And I think we should invest this half a billion dollars into it'. And the board's gonna say, 'Well, this sounds interesting. Tell us about the returns and tell us the levels of transparency'. Those are the sort of questions they'll ask.

Michael Cyger: Right. Right.

Michael Gilmour: Before they say, 'Do this investment'.

Michael Cyger: Right. Right.

Michael Gilmour: And what the person will do. They'll stand up and they'll say, 'Well, you know, we just get paid. We don't know why we get paid. We just get paid'. And that just doesn't work at serious sums of money.

Michael Cyger: Right.

Michael Gilmour: It just doesn't work. And the industry needs to grow up and realize that. And so, I've been trying to spearhead this for years; is the fastest way that I can get the value of my domains to increase is to bring transparency. Because that'll attract more serious money. At the moment, we're not getting that, and we haven't for years. And it's very frustrating. So like I said, we just decided, as a company, to be as transparent as we possibly can.

Michael Cyger: Well, I respect you for doing that. And I wanna see you succeed because I agree that the industry does need more transparency if it's ever gonna grow.

Michael Gilmour: Yeah.

Michael Cyger: So let me ask you this, Michael, as a final question. What advice do you have for domain investors who wanna get started in parking today? Where do you think they should start?

Michael Gilmour: That's a really interesting question. The first thing I would do would be do a lot of reading. I would go to Ron Jacks and DN Journal. Fantastic load. And he's a very reputable guy. I would go to DNJournal (dot) com, and I would just read, read, read. And the other thing I would do is I would go to my blog. My blog is (Unclear 1:02:07.7), or go to MichaelGilmour (dot) com and it'll get you there. And it's G-I-L-M-O-U-R, so not O-R-E. And I would go there and there's a lot of articles there that I've written over the years. And just on domain, and all the thing you can do, and that sort of stuff. I would attend a conference. Like if you are serious about investing in a business, pay the thousand bucks and go to a conference, you know. And the number of people you meet; ninety percent of them are really good people, and you can learn a lot from them. The sessions are great as well, but personally I think the value of the conference is the people.

Michael Cyger: Yeah.

Michael Gilmour: And ten percent are sharks, so steer clear of them.

Michael Cyger: So let me ask you this. Is this a good tactic if I say, 'Hey, Michael, I heard your show on Domain Sherpa. I wanna pick your brain on some domains I'm thinking about buying, and get your thoughts on how I might be able to monetize them. Can I buy you a drink?' Is that a good investment idea? For ten dollars to buy a drink, take you to the bar, and pick your brain for ten, twenty minutes?

Michael Gilmour: Absolutely.

Michael Cyger: Best investment probably somebody could make?

Michael Gilmour: Absolutely. Definitely do that. I would definitely do something. But I'm not saying it because I want everyone to buy me a ten dollar drink, but I would definitely do that.

Michael Cyger: Yeah.

Michael Gilmour: It's the two to three AM conversations, is you end up doing most of your learning from.

Michael Cyger: Yeah.

Michael Gilmour: And let me tell you, I'm constantly learning from other people. I go out of my way. There's people in the industry which I call regularly, talk to, and we swap ideas and that sort of stuff. Because as soon as you say, 'I'm now the expert and I know everything', then you're dead. You're dead in the water in this industry. You've really just gotta keep on learning all the time. And I think that's a mantra almost. As I say, you must always learn, learn, learn. Because it just moves so quickly as well. All the different changes and that sort of stuff.

Michael Cyger: Definitely. Alright. If you have a follow up question, please post in the comments below. We'll ask Michael to come back and answer as many of them as he can. If people wanna follow you Michael; follow what you're doing, what conferences you're attending, what's the best way to do that? You've already mentioned WizBangsBlog (dot) com. I'm gonna spell that out for the transcriber.

Michael Gilmour: Just go to MichaelGilmour (dot) com.

Michael Cyger: MichaelGilmour (dot) com. Are you on Twitter or Facebook also Michael? If people wanna follow you that way.

Michael Gilmour: Yes, absolutely. Just go to Facebook. It's probably the best way. And you'll see me there. Just search for me, and I'll be there. And you can go to ParkLogic (dot) com, and there's more and more information appearing there. ParkLogic (dot) com. And we can take you through a demo of the system. Like Ron Jackson did an article on Park Logic, and he says, 'the most sophisticated domain management platform he's ever seen'. And we built it on SouthFours (dot) com's technology platform, so it's all fortune five hundred; top type of technology. Very robust. Yeah, so I'm happy to demonstrate that to people if they'd like me to. And just reach out to me. You can send an email to MGilmour@ParkLogic.com. It's probably the best.

Michael Cyger: Okay. That sounds great. And I do this a lot Michael. I'm gonna urge the audience, if they found value in this interview, if they took away some tactics that they're gonna go implement, please go out of your way to find a way and say thank you to Michael through email, through Twitter, through his Facebook, you know. And remember, when you reach out to somebody and you do something as easy as saying thank you, posting a comment below in this show, you establish your relationship. And that relationship can then go and blossom, and mean more in the future. So I urge everyone to go do that. To say thank you. And I'm gonna do that right now by, again, mentioning your web site, Michael: ParkLogic (dot) com. And you're blog; I'll have a link to it WizBangsBlog (dot) com. Michael Gilmour, Founder and CEO of ParkLogic (dot) com, thank you for coming on the show, being a domain sherpa, sharing your story, and helping others become successful domain name entrepreneurs.

Michael Gilmour: Thank you very much for that. Let me just say. I can't emphasize what you just said that it's wonderful getting feedback, and I like talking to people. It is good to talk to people and no question is stupid.

Michael Cyger: Excellent

Michael Gilmour: It's all about the learning experience.

Michael Cyger: Exactly.

Michael Gilmour: So thank you very much for running this great show. I really do appreciate it Michael. It's good.

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

Michael Gilmour: Okay, see you later everyone. Bye from down under.

Watch the full video at:

<http://www.domainsherpa.com/michael-gilmour-parklogic-interview/>