

How Michael Krell Turned a \$1K Investment into a \$100K Revenue Stream

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Today's guest has only been in the domain name industry — committed to selling domain names — for the past one to two years, but has already earned a six figure salary by purchasing brandable domain names for mostly registration fee and selling them for thousands of dollars. Stay tuned for this motivating story.

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Michael Cyger: Hey everyone. My name is Michael Cyger. I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name investor and entrepreneur directly from the experts. We recently learned about one of the brandable domain name marketplaces called BrandBucket.com, but I wondered who are the sellers are on BrandBucket and how successful are they. Today we are speaking with

one of their sellers to learn more about how they have risen to the top in such a short period of time. I would like to welcome to the show, Michael Krell, Owner of MediaPlow.com. Welcome, Michael.

Michael Krell: Hi, thanks for having me, Mike.

Michael C: It is great to see you again. It was just a couple of weeks ago, a few weeks ago that your lovely wife and beautiful child came over to Bainbridge Island from Seattle, let me show you around the Island and take you out for some locally-made beer.

Michael K: Yeah, I know. You were very generous with your time and I just was telling my wife when I just remembered our little son sneezed all over you when you were holding him and yeah, you took it like a true dad, so it did not faze you.

Michael C: I have got three of my own. Nothing really fazes me, and that was a lot of fun. My friend and former basketball player, Todd MacCulloch, was at the brewery as well. It was a good time.

Michael K: Yeah. No, it was. It was. Yeah, it was fun talking to him about his NBA days.

Michael C: Yeah, luckily you knew more than I did. I just drank beer with the guy.

Michael K: That works too.

Michael C: All right, Michael, let's start this interview with your results. In the past year, just the past 12 months, about how many domain names have you sold?

Michael K: I have sold 65 names in the last 12 months.

Michael C: Wow, 65. I do not think I have even got 65 inquiries on the domain names that I own.

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Michael K: Yeah, I have been lucky.

Michael C: And of that 65, how many domain names have you sold on BrandBucket.com versus your own marketplace, MediaPlow.com?

Michael K: Well, I have only had MediaPlow maybe since December or so. Before that it was just inquiries through some landing pages. So, just with BrandBucket, I would say 15 or 20 have sold on BrandBucket and the rest have been through MediaPlow or I still do some GoDaddy premium listings and the rest have sold through there. I mean the ones that I have sold, especially before January let's say, were definitely in the smaller numbers than on BrandBucket.

Michael C: Got you, so BrandBucket is maybe 30 percent of what you are selling right now.

Michael K: It is 30 percent of domains, but right now it is about 65 percent of my take home.

Michael C: Oh, wow, so 30 percent of domains, but 60 percent of the revenue that you are generating. Actually your take home, so you are talking about the profit.

Michael K: Yeah. Yeah. Yeah.

Michael C: Awesome. So, let's talk about that. Before we get to profit, what is the total revenue of those 65 domain names that was generated, not including how much you paid for all the domain names?

Michael K: Sure, yeah, it is about one hundred thousand.

Michael C: Wow, okay, one hundred thousand. Six figures. And if you had to include the cost to acquire those domain names, it is a significant portion of that total revenue or are they mostly hand registrations?

Michael K: Well, I mean most of them are definitely under one hundred dollars that I acquired them for, but it is still a fairly significant amount. Just

over the last 12 months with renewals and new purchases I would say I put one-third of the profits back into acquiring new domain names or renewing ones I currently have.

Michael C: Got you, so one-third of your profits go back into new acquisitions and renewals.

Michael K: Yeah, and out of that 30 percent there are probably ten names that make up 50 percent of that because I am putting some money into some higher-priced names here in the last few months.

Michael C: So, buying a domain name for one hundred dollars and then flipping it for a few thousand dollars is not big enough for you. You are trying to like pay a little bit more and then get even higher.

Michael K: Well, I mean it is a little of a safer bet I would say. I mean you have to put up more money, but it has more liquidity to it. And I have not done a five-figure sale, so that is what I am kind of shooting for. Some five-figure sales, but definitely for just number of domains that is a very small number in my portfolio. I mean most of them are under 20 dollars I would say in acquisition cost.

Michael C: Yeah, cool. And so, that is the past 12 months that you have been at six figures. Going forward, looking at your run rate for the next 12 months, what would you say you are targeting?

Michael K: I would like to increase it by 50 percent. Over the last year I have probably acquired eight hundred names or so, eight or nine hundred. And just with my partnership now, BrandBucket as well, a lot more names are going there and my sell rate is exponentially better there than it is on my own. So, it is just a numbers game, like everything, especially in domaining, so hopefully the numbers will increase my sales proportionately.

Michael C: Cool. I cannot see a list of your domain names on BrandBucket.com that are for sale. As far as I can tell there is no way to list domain names by user or seller. Are you allowed to tell us what a few of your domain names are?

Michael K: Sure, there is actually. I could send you a link. Every seller has a link to their profile page on BrandBucket, and then you could list them all. Off the top of my head, I have quite a few. There is probably like seven hundred or so right now that are listed on BrandBucket.

Michael C: Wow.

Michael K: That was all within the last maybe two and half to three months.

Michael C: Jeez, seven hundred. And they have six thousand, Margot told me on her recent interview, so you have got a good chunk of them.

Michael K: No, I have a significant amount.

Michael C: Yeah. And I cannot see the sales that you have made either. Are you allowed to discuss the sales that you have made in the past?

Michael K: Yeah, I can discuss. I can say what names I have sold. I try not to mention the price, but I can tell you some of the names that I have sold.

Michael C: What are three or four of them off the top of your head?

Michael K: Sure. I have sold SteamRocket.com. We were just talking about that. KarPool.com. I just recently sold GlassArmor.com. Last week I sold PlatFarm.com.

Michael C: Cool. And so, part of my due diligence process was to actually look at some of your sales that you shared with me privately and look through them, and make sure that they actually sold. That you owned them and that they sold properly, and that somebody is actually using them. And actually all of the domain names that I spot-checked on your list have beautiful-looking websites, so the owners that bought them I would say are doing great work. One of them looks like a fantastic software as a service. Their prices are high enough that they should be earning quite a lot. Another one was a company that does media and helps them develop. They basically develop out other people's media sites on a great brandable domain name.

And then you just mentioned SteamRocket.com, so anybody can go to that website and see that Kevin Harrigan, one of the original sharks on the Shark Tank, who has helped hundreds of companies launch their own products and services, fitness or what have you on Home Shopping Network. Just a guru looking to do investments and gather more leads through that website. So, some really big sales I would say for probably not the kind of sale price that I might expect to see from a shark like Kevin Harrigan, who has at least hundreds of millions of dollars in net asset value. I do not know exactly how much he has.

Are you surprised that well-known people in larger companies are buying domain names from you? Does it strike you as strange at all?

Michael K: Yeah, no. I mean it is definitely a little surreal. Most of those have gone through BrandBucket. They are one or two (Unclear 9:29.2) conversations. I was in conversation with a couple kind of fortune five hundred companies for one or two of my own, selling individually, but I think it just kind of goes to BrandBucket and their connections they have in the VC world and it does not take a long time for word to get around. Again, just the time you save by just looking up a name and picking the one you like.

Michael C: Yeah. Yeah, definitely. So, on your marketplace, MediaPlow.com, I can see you own names like ShootIt.com, LaunchPack.com, and (Unclear 10:06.7).com, and EnergyStack.com. Are these representative of your portfolio, or did I just cherry pick some of your best domains?

Michael K: Those are some of the featured ones, but I think it is a pretty decent representation. I think there is maybe seven hundred or so on there right now, and before I started moving a large part of it to BrandBucket there were about 12 hundred or so on the site, but I would say those are. I definitely specialize in two words I would say. I mean all of mine are based off of some sort of keyword. Like Margot is definitely the guru with linguistics and made-up words, but I usually stick to keyword-specific domains.

Michael C: Margot being the Founder of BrandBucket.com. Margot Bushnaq, who I did an interview with just a few weeks ago, and you can go back on the homepage and watch that interview. Let's go back in time for a few minutes, Michael. I always like to learn how people got started in the domain name industry, so others that are either just starting out or looking to get into it can relate their situation to yours. What was your professional experience prior to investing in domain names?

Michael K: Sure. Well, it was always, I would say, eCommerce-related. 16 or 17 I got out my HTML book from the library and started to do some web design stuff, and then selling. Going to thrift stores and flipping things on eBay, Pyrex bowls or salt shakers - things like that through high school. And then, in college, I became a little more interested in clothing and in men's fashion. It is kind of funny. I was looking on eBay and I saw these t-shirts that looked like someone had just taken some fabric paint and a foam brush, and just kind of did whatever with them. Just splattered them. And they were selling for one hundred bucks and 120 bucks. I was like: "Well, I can do something that is just as good or bad as that," so I just started buying American Apparel t-shirts and just did these really kind of corny phrases or corny things on them, and people were actually paying like 50, 60, 70, and one hundred bucks for these shirts on eBay.

And then I met someone who had been selling his whole life and we got together and started our own upper end men's cut and sew business. So, we get the fabric in from the mill and we had the patterns, cut and sewed it, and we sold it primarily through StyleForm.net. They do not have the .COM. It is just StyleForm.net, and they might be the largest men's fashion forum now. They have like 1.5 million members, and I like to say we pioneered the kind of B2C business model for clothing, because we would really ask the forum participants what they wanted in a long-sleeve shirt or in a hoodie and gave them fabric swatches, so we did not have to make something we thought was nice, but we would just not sell it all.

And I did that. Then 2008 happened and people were not buying 150-dollar hoodies anymore. And I did all the web work and email marketing with that, and then I actually was a manager for a homeless shelter for a couple years that I volunteered at previously and I always did web stuff on the side. And

then I took a job at a startup here in Omaha, and this is how I got into the domaining part of it. It was called Violet and the owner purchased Violet.com, and it is publicized. I think it sold for 75 thousand or something like that, and that is when I sort of new about domains. I had a Namespro account maybe from six years ago, but I never used it. I do not even know why I set it up.

But then I just got thinking and this owner had many other like really premium names and it just got me thinking, "I need to look more into this."

Michael C: Yeah, so basically you were working for this person in one of his companies and you became aware that he had just purchased Violet.com for 75 thousand dollars and you were like: "Wow. How could somebody pay so much for a domain name?"

Michael K: Yeah, I mean I knew domains sold for something. I knew they were valuable, but I think it was more just like the collection. I kind of knew some of the other names that he had, so I was like: "I need to look into it more," and then I did. I did some searching and saw some news stories of people making some decent money on domains.

Michael C: Yeah. So, you were working at his company. You saw that domain names had aftermarket value. You did some research and said, "Hey, this is property like real estate." What was your first step into the domain name industry? What was your first domain name, which you probably owned before because you were developing websites, but what was the first domain name that you made for an investment?

Michael K: Sure. I do not know what the first one was. I mean they are all just kind of embarrassing and stupid, but I know one of the first ones was like CaffeinatedJerky.com or something.

Michael C: That sounds good. I love jerky and I love coffee, like CaffeinatedJerky.

Michael K: Because there is a company. Gosh, it is a pretty big beef jerky company that has caffeinated jerky, and I do not know. I was looking at like

food trends or something, Googling that. And then like blatant trademark infringements like StarbucksJuice because they just purchased a juice company or something, kind of blatant ones for the most part until I started learning more.

Michael C: So, you dipped your toe in the water. You bought some domain names. You realized that hey, they are trademarks and while you made the mistake, you wanted to get out of those, and then you looked at some that were just trends or "crossed your desk," like CaffeinatedJerky. What was the first domain name that you had purchased that actually sold to somebody else?

Michael K: Sure. The first one that I sold was TekCloud.com.

Michael C: And do you remember how much you sold that for?

Michael K: It was, I think, three hundred dollars.

Michael C: Three hundred dollars. Do you remember what marketplace you sold it on?

Michael K: It was a premium listing on GoDaddy and I know I paid. I picked it up in the closeout auctions for five dollars plus registration.

Michael C: Yeah, so you paid basically 17 to 20 dollars. You listed it on premium, which I think has a listing fee, right?

Michael K: It is free, but they take 30 percent.

Michael C: 30 percent, so you sold it for two hundred. They took 30 percent, which is 60. Is that right?

Michael K: Yeah, I sold it for three hundred.

Michael C: Three hundred, I am sorry. Three hundred, so 210 dollars minus your 20 dollars, so you are like 180 bucks up.

Michael K: Yeah. No, I was like: "This is amazing." I woke up one morning and it is like: "Oh, your premium listing has sold." I was like: "Oh my gosh, this is amazing." And of course I tell my wife, because my wife just kind of thinks I am doing. Like I am telling her some of these names I am buying and I mean she is just kind of nodding her head. I mean she does not really understand.

Michael C: Well, but at this point you have not sold any and you just sold TekCloud. And like yeah, you sold it without any work besides the listing of it, but is she looking at you as like all right, Michael, just make sure that you are bringing in your salary and everything is okay?

Michael K: Sure. Yeah, pretty much, and this was right to when I started, right around the same time when I left Violet and started my own web design. So, there was not a regular check coming in every month, so it was a little. I started with one thousand. That was what I thought. After I bought my bad names, I said, "Okay, I want to invest one thousand dollars. I think I can do something with it." And so, yeah, 180 bucks was great.

Michael C: Yeah, so what did you do with all those bad names that you originally bought?

Michael K: I deleted the bad ones, and then I think I sold another one. I was asking my wife what are some dumb ones. One was like DetroitD.com, because I would look up like EstiBot, like I did not know values. Like oh, this is valued at one thousand dollars. Most people are looking for the tattoos with like the Detroit Tigers D on it, and so I had a page that was just I was happy when I made 30 cents on AdSense. So, those ones I just let drop or maybe I sold them on a forum for a couple bucks, or something.

Michael C: Got you, so you basically just cleared them out one way or another.

Michael K: Yeah.

Michael C: After you first sale you said, "Hey, there is something here," and you decided at that point that you would spend one thousand dollars to buy some domain names and see what you could do with that.

Michael K: Previously the batch that included TekCloud I had one thousand, so I said I was going to take one thousand. And when TekCloud sold, I tried to focus, because obviously cash flow is a big deal. I did not want to put any more money into it, so it was really splitting the time between buying names that I thought a small business could buy from me the same day I registered it at a few hundred dollars, and then buying names that I thought sounded good. I mean I did not even know what a brandable was. That is what you call them now, but I just thought: "Wow, this is amazing," and I saw GoDaddy's expired auctions. I was like: "Wow, this is amazing that all these domains are available to purchase."

So, it was really a mix of what names I could flip right away, get the cash flow going, and what names I could hold on to a little bit.

Michael C: Were you worried at that time that you spend this thousand dollars and none of them were going to sell and you were going to come to the end of your year and have to pay a hundred renewals and another thousand dollars?

Michael K: I mean yeah, I always worry about those things. I mean it seems like once a month or something like that, is the domain ever going to sell? Like right now I think, so I mean that is just kind of the way. It is not healthy, I know, but that is kind of the way I think.

Michael C: Well, I am going to ask you more about that.

Michael K: Okay.

Michael C: But before we get there, your domain business has grown over the past 12 months. You bought a thousand dollars worth of domain names as basically your launch pad. Would you recommend to others that they limit their investment at the beginning like you did?

Michael K: Yeah, I think it is very important. And I started almost three years ago with that thousand, and no, I definitely think you need to have a bankroll and I have a little bit of background in kind of gambling and poker. I mean I was an economics major and stuff. So, you need to have a bankroll sufficient enough to keep you in business, but you do not want to go over that because then you go down a bad path when you start not being able to pay off your credit cards anymore.

Michael C: Yeah, so looking back two to three years ago, you would say one thousand bucks. Buy anything you want with one thousand bucks. Maybe it is one domain. Maybe it is a bunch of expired domains. Maybe it is some premium domains for a couple hundred bucks off of an auction list, or would you say try and get as many as you can and do not buy one domain for one thousand dollars? What would you recommend?

Michael K: I would not recommend buying a domain for one thousand just because you do not know when that is going to sell. If you have got a really good deal, yeah, maybe you could flip it for two thousand in a month or two, but when I did it, I think the most I paid for a name was maybe one hundred bucks and most everything else was in the closeouts on GoDaddy Auctions, so between five and eleven dollars plus registration fee. And with just the names that I have sold, there is absolutely zero correlation between how much I have paid for it or almost no correlation between like what sells and how much I pay for it.

So, that is what I used to always say to myself; is that wow, this name that I thought was awesome that I paid maybe two hundred dollars for or these names I maybe paid one hundred or two hundred dollars for, like none of them are even getting offers. But like these registration fee ones, people are emailing me and paying a few hundred bucks or one thousand bucks for it.

Michael C: Yeah, and is that the case with the ones that you sell for what Margot said is the sweet spot on BrandBucket, between two and four thousand dollars? Do you see the same correlation that ones that you buy for one hundred dollars get less sales than the ones that you buy for registration fee or through closeout?

Michael K: Sure. I am trying to think of names that I have sold. Since I started on BrandBucket, which was a little over a year ago, I think I have sold a little over 30 names and, jeez, I think maybe three of those names I purchased for between one hundred and two hundred dollars, and everything else was a registration fee, a closeout auction, or maybe 20 or 30 bucks.

Michael C: Well, that speaks to the fact that you are registering brandable domain names that both Margot and the customers that come to BrandBucket.com like to see.

Michael K: Sure.

Michael C: So, that leads me to my next set of questions about your secret sauce, Michael.

Michael K: All right.

Michael C: Now that you have been working on this for two to three years, you have got six figures of revenue underneath your belt for the past 12 months. What is your process nowadays for finding and buying brandable domain names?

Michael K: Sure. Well, some of the basics: I definitely look on GoDaddy's expiring auctions, looking for names under 13 characters. I am only looking for .COMs that are around six years old, at least six years old. And when I started, I looked at maybe three years old because I had more time to search for some of those names, but now I do not know why I choose six. It is just a good number, I guess. So, I look and there is maybe one thousand names or so that meet that criteria every day that are coming up for auction, and then have just a little web software that I had developed that I put in a list of maybe 60 keywords, maybe 70 keywords with under 13 characters long, and about the same, maybe eight hundred or so are dropping every day. And that is pretty much my process.

And then, like with NameJet, I definitely look at Domain Shane sometimes to see the things that he is listing there. Most of those are out of my price range.

Michael C: Well, I was going to say. The stuff that Shane is listing have like 60 bidders on it and it is going for at least a couple grand. It does not seem to fit the MO that you have described so far.

Michael K: I mean I have been able to get some good ones for under one thousand. I mean it is just maybe a couple, but I definitely take a look and see what they are going for. If it is good enough, I am willing to put in some money to it, but that is definitely a good way to get your auctions up higher. It seems like everybody (Unclear 27:35.4), like the Midas. He seems to be kind of Midas with the domains that he chooses.

Michael C: Well, speaking of Shane, if you are a gambler and you play craps, you have got to come to Vegas with us next January for NamesCon because Shane and I like to play craps and you are a numbers guy. That is good because we need numbers guys.

Michael K: All right, I do not know if my wife would like that.

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Michael C: All right, so you are looking at domains that are under 13 characters, so you want it shorter and you generally go for two-word domain names, so 13 character is shorter for two words. .COM only. Six years old. You do not know why. You just sort of have to limit it someplace, and if it is three years old, you are going to get a ton of domains to go through and you just do not have that much time. Is that what it comes down to?

Michael K: Yeah, three years. I mean I have not checked, but I would guess three years is at least double of what six years is. It may be triple. I do not know, but yeah.

Michael C: Do you find that domains that have been registered for at least five to six years are more valuable than ones that were registered last year?

Michael K: Not necessarily. I do think that I can find names that are outside of my keyword list that I would not normally be searching for. It would be a keyword that I would not put together, so I also put in that keyword list in GoDaddy Auctions as well and do not put any sort of age requirement on it. So, that is mainly what it is there for, is just names I would normally skip over if I was just looking for my keywords.

Michael C: Yeah, that makes sense. And so, you are looking at one thousand domains per day basically at GoDaddy Auctions. You also have 60 to 70 keywords that you mentioned. Are those keywords like app and cloud and hosting, and things like that, or specific words that you like to target with brandable domain names, so you are looking for any domain that is dropping with that keyword in it?

Michael K: Sure. App I used to, but I kind of stay away from that because it obviously has to be an app, I mean generally. I guess when app is in the beginning. I have some app domains where app is the beginning of the word, like AppRate, for example, but yeah, I mean cloud is definitely a good one. People are just really interested in buying cloud domains. I mean within reason it seems like whatever you put in front of it does not really matter because every business, like I have sold through MediaPlow, like BraveCloud and it was a company that was called Brave something in

Australia, so they wanted BraveCloud. And then like PivotCloud and GravityCloud.

Michael C: So, I am an engineer. I love to have formulas and actual processes. Is there anything that defines whether a domain name is going to be better, or the fact that your analytical side looks at cloud and said that is a good keyword, and then find any sort of adjective to put before it and you cannot necessarily predict whether that adjective is going to be better or worse?

Michael K: Yeah, I mean you probably could make some sort of program that would do that, but I think almost all my names are tech. It is almost all tech names, and so just keeping up to date and just knowing what other companies are naming themselves and just words that you often hear in the tech world. And if you have a keyword and you have one of those words, then generally they are going to work. They are going to work decently together, and I definitely - not so much now, but before - would think over, like should I buy this name or should I not buy this name, and it is like I feel comfortable enough where I think one in one hundred names. Well, I can get one thousand bucks for one in one hundred of these names if I register it.

So, if I am on the fence, I generally do it. And oh, I guess too, another thing about my process is I kind of have names that I know I need to backorder at SnapNames or NameJet and they are ones that I know I can probably get from Pheenix, for example, and then they are ones I know I can just register by hand and not pay any backorder fee.

Michael C: So, when you are looking at a domain name that is getting ready to expire, you are thinking to yourself: "Is this a domain name?" Because it is brandable, people may not be searching for it by keyword, by EstiBot value, which a lot of domain investors do. You are completely over here on the brandable side and you are thinking: "Are other people going to put in a backorder? If not, I do not want to pay the 59 or 69 dollars at SnapNames or NameJet, and then I can go to the next level, which is Pheenix, which has a pretty good capture rate, but it is going to cost you \$18.95, or can you just wait for it and play your poker analogy here, and wait for it and get it for registration fee, which you may get for anywhere from one dollar with a

coupon up to eight or nine dollars with GoDaddy?" So, that is your thought process. How desirable is this brandable name and can I wait for it?

Michael K: I mean it is definitely like penny pinching, I would say. I mean maybe I am losing out on some expected value if I would put in a backorder, but if there are one hundred names, I have definitely probably hand registered one hundred names in the last, say, three months. And that is a lot of money if you are going to NameJet for each one of those names, and it is significant if you are going through Pheenix for those names too. So, I do not know. Yeah, it is just something, like a month or two ago I sold a name on BrandBucket and I did not know whether I wanted it for five dollars, and then I was like: "No, I will not get it for five dollars at GoDaddy," and then I ended up hand registering it and then it ended up selling for like one thousand bucks. So, I am like: "I probably should not be leaving this on the table here."

Michael C: How often do you sort of go from backorder at SnapNames, NameJet to Pheenix, to I am just going to hand register it and you lose it? Does that happen a lot to you?

Michael K: If it happens, it is usually NameJet or SnapNames gets it before Pheenix. Hand registers not so much anymore. It seems like NameBright and HugeDomains.

Michael C: Those Reberry brothers. They are snapping up anything that used to be registered for more than a few years. I am not sure what their algorithm is, but yeah, they snap up a lot.

Michael K: Yeah, because before I would choose really generic keywords. I mean I still use cloud because it is good, but maybe like design or something that ends in design. And I would look to it. I was like: "Who is this Andrew (Unclear 35:07.8) who gets all these names?" And so, I definitely modified my keyword list to kind of go around that. So, it seemed like I do not lose very many between backordering it in Pheenix or deciding to hand register.

Michael C: Right, because you are looking at the domain name and saying, "Is this a good brand? Is it aspirational? Does it give me a good feeling," and their automated system and other automated systems, like drop-catching

softwares, look at just these accumulation of letters and saying, "Does it have search volume? Does it have advertisers," and basically these brandables do not have it because maybe it is spelled tek and it just kills the search volume.

Michael K: Yeah. Yeah. Yeah, exactly. Luckily they have not changed an algorithm to compensate for that.

Michael C: How many hours per day, Michael, would you say that you spend looking over drop lists and looking through your search results to pick your good names that you want to invest in?

Michael K: I mean with bidding in auctions I would say a couple hours. It is tough to say because you might have an auction that ends in the morning and one that ends in the afternoon, so it kind of seems like you are doing it all day long, but brain time is probably one to two hours.

Michael C: Yeah, and then what do you do the rest of the day?

Michael K: I have a web and home design development firm, so it is a lot of project management basically right now and things that take a lot more time than selling domain names.

Michael C: Hey, if somebody is watching this show and they have a domain name that they have been looking to develop, does your firm actually help do development like that for other people?

Michael K: Yeah, we do. I mean price is kind of a relative thing. Some people think that five hundred dollars is a lot of money, or some people do not bat an eyelash at ten thousand, so I mean really ten thousand is kind of like our minimum I would say.

Michael C: Yeah, for a project that you are working on.

Michael K: Yeah.

Michael C: So it is going to be database-related. It is going to have some sort of more sophisticated aspects than just setup a WordPress website.

Michael K: Exactly.

Michael C: And I went to MediaPlow.com, your marketplace, and it is a sweet-looking site. It is based on WordPress, but clearly you have done a lot of development for the user interface and the backend and the contact forms. Have you done all that work yourself?

Michael K: It was based off of a theme actually, but there is backend functionality that was added in there. Some tweaks to make it a little more domain-friendly.

Michael C: Yeah, well, I like it. You talked about a couple of hours per day spent looking through the drop list to figure out what you want to buy. How many domains do you register per day would you say on average?

Michael K: I would say about four or five on average.

Michael C: Four to five per day.

Michael K: I would say, yeah.

Michael C: But you are not selling four or five per day, so the volumes of domain names that you have under management is increasing.

Michael K: Sure. Right now it is at about 16 hundred, so yeah.

Michael C: And do you find that the more domains you have, the more sales you are getting? Is there a one to one to some sort of correlation between the number of domains and your sales and your take home revenue?

Michael K: Sure. I have not really run the numbers about how many, like buying one hundred domains equals one more sale per month, but it has just kind of been a fuel. I am selling names. I should buy more names. These names are selling. It probably should be a little more analytical than it is. If domains are selling well in a month, maybe I will put in some bids on some

higher-priced names. I guess cash flow is the biggest thing, but there is not like a set formula that I have.

Michael C: Got you. Hey Michael, you registered PerfectStart.com and TerrificStart.com. One sold. One has not yet. Both are 13 characters. Both are .COM. What is the difference between these two domain names in your opinion?

Michael K: Well, PerfectStart is a much more common phrase. I am definitely a sports fan, so PerfectStart may have been. It is a very common phrase in sports that the team got off to a perfect start, and it can be used in a multiple variety of businesses. And TerrificStart. I only registered TerrificStart after I sold PerfectStart, so I was just looking for synonyms, just going to Thesaurus.com and looking for synonyms of perfect and see what I could get. And I still think they say the same thing, but terrific might be two Rs or two Fs. It is a little bit more difficult to spell.

Michael C: One additional syllable, one additional character.

Michael K: Yeah. Yeah, I just say that mainly the phrase just is not as common as perfect start.

Michael C: Yeah, so part of it is just like having that ear for good phrases, common phrases, both aspirational and both good brands to start business, to run a media company, or what have you. There are a lot of different companies that might want a domain name like that, but just slight differences between words is enough to make the difference between a sale and not. And having said that, today somebody could put in an offer and buy TerrificStart. Who is to say?

Michael K: Sure. Yeah, exactly. I mean that is the difference. Just like from a wholesale value, I think PerfectStart was definitely one of the most expensive names. I think I paid 15 hundred for it and TerrificStart was available for hand registration.

Michael C: Right. And how much did you sell PerfectStart for? Do you remember?

Michael K: I was able to get 83 hundred for it.

Michael C: Wow, nice.

Michael K: I think I could have gotten more, but it is tough.

Michael C: Bird in the hand.

Michael K: Yeah, it is difficult to turn and wait for 12 thousand, so yeah.

Michael C: Right. So, what is your process for selling brandable domain names? We talked about your website, MediaPlow.com, which is your own marketplace, and we talked about BrandBucket.com. Clearly Margot Bushnaq and her team are bringing people to BrandBucket, developing their own outreach and have their own readership. Do you do any outbound marketing on your own? What is your process for selling the domain names?

Michael K: Sure. Well, most of the names, well, the names that BrandBucket will have - all those names are eventually go onto BrandBucket since we kind of reached a partnership in July, where I became a BrandBucket ambassador, and I think we will talk about that a little later.

Michael C: Yeah.

Michael K: So, the names on MediaPlow will hopefully eventually go over to BrandBucket. Before that I really did not do a whole lot of marketing and I should have, but I was just busy with other projects and all the sales were honestly just they typed in the name and they liked it and they bought it.

Michael C: So, before a domain name was on BrandBucket, if somebody typed it in a domain name, where would they go?

Michael K: They would go to the sale page on MediaPlow.

Michael C: So, they would go to MediaPlow.com/[the specific page to that domain name]?

Michael K: Yeah.

Michael C: Okay, so you are basically going to GoDaddy or whatever your registrar is and putting in a redirect on that domain name to the specific sale page on MediaPlow?

Michael K: Yeah. Yeah.

Michael C: Got it.

Michael K: And that is what I think is the most important, because before that, before I had the marketplace, I just had Wufoo forms, because I think I never understood like all the landing pages, where you had to find where the button was to contact someone to buy the domain. And you are not making any money in ad revenue, and I always thought it was just like a spam page and I just wanted to make it as clear as possible that this name is for sale if you want to purchase it. So, before that I just had Wufoo forms.

Michael C: Wufoo, which is some sort of contact form that you run on your website.

Michael K: Yeah, Wufoo.

Michael C: That is it. Yeah, Wufoo.

Michael K: And that was, like I had a VPS service just with my business, and so I would just put in. You make one form and you just put that in the root file and the domain name, and then it would take them to the contact page would show up.

Michael C: Got you. So, all were passive sales. People are typing it in. And I am amazed. Well, I guess if you had the idea to register it, somebody else might as well. Did you actually have a buy it now price on the Wufoo forms when you started out?

Michael K: I did not, and I wish I did because I think I left a lot of money on the table, because I do not know. It was still kind of baffling to me that people would be paying this much money for a domain name, and so I would be like: "If I have got two or three hundred dollars, man, this is awesome." But I definitely think if you would have just put a price, even if you put one thousand dollars, let's say, people are more likely to offer you to start at six hundred or even five hundred than to start at two hundred, let's say. And so, if I had to do it over again, I definitely would put some sort of buy it now price on it, especially for the names that I had because it was just all about moving them.

I am not holding on to them, waiting for someone to pay ten, 20, or 30 thousand dollars. I just want it to move on and buy more names.

Michael C: Right. Yeah, that makes sense. So, now if I go to MediaPlow.com, I can see all your domain names have an asking price. Clearly if I go to BrandBucket.com, I can see all of them have an asking price. What percentage of your sales on both websites are at asking price?

Michael K: So, on MediaPlow, it was higher than I thought it would be. I would say it was almost 50 percent, which surprised me.

Michael C: So, 50 percent will say I think your asking price is reasonable and I will pay that, and they will just click the buy now button.

Michael K: Yeah. Well, they normally would contact me first and then buy it. So, it may have been a little bit less, but I was surprised that it was even like any percent because someone would just sort of blindly drop two thousand dollars. I do not know. I guess it looks credible.

Michael C: Well, it is blindly to you, but for them they may have been researching for the past two weeks.

Michael K: That is true.

Michael C: And nothing is available, like we all know, and they finally stumble upon one and it is a reasonable price, like I am going to buy it. I spent enough time on this.

Michael K: Definitely. Definitely. And then on BrandBucket, I have sold around 30 and all but three have been at asking price, and they have been in the high four figures.

Michael C: Wow.

Michael K: Some have been in the high four figures.

Michael C: Yeah, so that leads me to my next question. Are your sales consistent from week-to-week or do they vary from week-to-week?

Michael K: Week-to-week they definitely vary. Month-to-month they are getting a little more consistent. Since moving a lot over to BrandBucket I think they have become a lot more consistent because there is a consistent viewership that is looking at the names, whereas before it was really just instead I am going to wake up and type in this specific name into the search bar and not really go to some place to find a name that they are not sure about. So, except for maybe June and February of this year, it has been pretty darn consistent, but it could be like I might sell one or two in the first week of the month, and then nothing, and then all of a sudden six sell at the end of the month, or something like that. So, it still gives me enough time to worry about if the name is going to sell.

Michael C: So, is that your biggest fear in domain investing today? That you may go a week without any sales and you are like: "What just happened? The entire market changed and suddenly I do not have my secondary income stream," but then a bunch will hit. Is that your biggest fear right now?

Michael K: (Unclear 49:07.2) in the world. I guess. I mean that is just kind of the way. I do not know. It is just sort of the way. I mean it probably is not. I mean I have become more confident in it definitely because I recommitted to it about maybe 13 or 14 months ago. After about a year of just really doing it passively, I really recommitted and put in more capital to purchase names.

And so, I feel confident enough that I should not worry about that, but you always do. I mean at least running your own business you always worry about that. I probably lose years off of my life (Unclear 49:56.3). So, there is nothing you can do about it.

Michael C: That is why I have got all this gray hair here. Yeah, I am of the belief that only the paranoid survive, so you will make it.

Michael K: There you go.

Michael C: So, how do you decide? Let me ask you a few questions about BrandBucket, and I do not want to make this a commercial for BrandBucket. We have already had Margot on from BrandBucket, explaining it. How do you decide if your domain names that you own should be listed on your site only for sale or if they should go on BrandBucket.com?

Michael K: Right now when I purchase a name, I try to put it up as soon as possible on MediaPlow, and then I have to wait, just like anyone else does, for BrandBucket just to review the names. And since mine are going in maybe I am sending a spreadsheet maybe with two or three hundred at a time, that is going to take that much longer to sort of go through. So, I am going to put them on MediaPlow first just in case if there is a buyer out there, I can pick up maybe one, two, or three of those sellers that I can capture those sales there before they go on to BrandBucket. So, yeah, it is MediaPlow first, and then just wait till, hopefully, they get accepted on BrandBucket.

Michael C: Got you. And you mentioned previously that you were a BrandBucket ambassador. What does it mean to be an ambassador to BrandBucket.com?

Michael K: Sure. Well, it is kind of like it says. Just trying to tell people what BrandBucket is all about, that they actually do sell names, that it is legitimate, there are people behind there, that there is a team behind there that are working on selling your names, and being more closely associated with like the original (Unclear 51:48.1) marketplace in the domain space.

Michael C: Got it. And do you get any perks? Like you had mentioned that you submitted your domain names to BrandBucket. Do you go to the top of the line? Do you get more of your domain names onto BrandBucket? And you would think that if you are an ambassador, I know that the ambassadors to the United States drive around in those cars and the flags, and they do not have any parking permits. I think they can legally kill somebody and then just flee the country. No, I am just joking, but are there any benefits like that you have that regular sellers do not have?

Michael K: Sure. Well, I do not get any preferential treatment in moving my names up the list of getting them published or anything. I do get if I want to market my portfolio, say, to a meet-up or if we decided it made sense to go to a domain conference, let's say, BrandBucket would comp me for those business expenses, and then I guess it cliché to say it, but just to be more closely tied in with Margot and her husband, Ross. They have been successful in many other ventures and it is just good to be a part of a successful team.

Michael C: Sure. All right, so that makes sense. And one of the things I should clarify because I did not do proper research before I interviewed Margot, I did not realize that there was a fee to list your domain names on BrandBucket. So, if anybody is watching this show and they are like: "I am going to register some domain names just like Michael did," correct me if I am wrong, Michael. Every domain name that is accepted onto BrandBucket that you list you have to pay a ten-dollar fee for. Is that correct?

Michael K: Yeah. Yeah, it is ten dollars. And it is really just to keep the marketplace as premium as possible and people are not going to be submitting whatever .COM because they think it is good, but it is not.

Michael C: Right, exactly. I clarified with Margot over Skype that it goes to editorial and it goes to creating the logo, which of course the logo designer will be compensated for after it sells, but right now there are logo designers doing work for free and it could be on the marketplace for years, and some other overhead expenses.

Michael K: Yeah. Yeah.

Michael C: Michael, let me ask you this. How have domain names allowed you to live your personal life differently than if you would not have discovered that they were an investment vehicle?

Michael K: Well, as surprising as it may sound, I actually worry less. I do actually worry less about things because I mean like any business, again, cash flow is a problem. Like with my development design business, you have all the projects that are set aside and you know this month this project has got to be finished, and then all of a sudden you have two decision makers and they both are going on vacation in August and you cannot start a development project until they okay the design of something. And that pushes your paycheck. That pushes everything back. And those times can get a little bit stressful and a little bit hairy because you have to pay contractors, and so it is definitely created a little buffer I would say for just my other business and also putting money into other ventures that I am trying to start here.

And then yeah, it does not hurt. I have got a family and bills and everything, so it definitely helps to have extra income.

Michael C: Yeah. If you could offer advice to someone that was thinking about starting out today in the domain name industry, much like you did a couple years ago, what advice would you offer them?

Michael K: Well, I would say you have to look for, again, to mention a bankroll. Okay, I am going to spend one hundred dollars or two hundred dollars or three hundred dollars, or whatever it is, and stick to that. And then if you are starting on like a shoestring, which I would say a thousand bucks is not a whole lot of money to go into the domain industry with, but I mean you could do it for less. You could do it for five hundred dollars. Try to get names that you can flip quickly, that you can generate enough money to buy more names, and really separate them. Okay, these are names I can sit on a little bit that I can put. Whatever it is, just make it clear and simple that the name is for sale and do not put any barriers in front of the buyer in order to sell that name.

So, I definitely would not do parking pages or anything like that. I definitely would obviously suggest BrandBucket, but Wufoo pages, contact forms are great, and not spending any more money until names start selling. And it is really just patience. You cannot expect that this is going to be your full-time job in six months or a year or two years or three years. It is a process and you have to acquire names as they come to you.

Michael C: You cannot force it. You have to have patience to acquire them.

Michael K: Yeah, exactly. And definitely look at trends. That is what I did before. I have sold a few food-related names just from looking at food trends, like I sold AgroChef.com maybe two or three years ago because I saw on like the trends of 2013 or something and it mentioned that name, this company in Canada purchasing it. And definitely the tech field is the field that I would highly recommend. You look at TechCrunch. You look at CrunchBase and you see what companies are starting and what they are calling themselves and parsing keywords and parsing phrases from those companies into your search.

Michael C: Good advice. And if you were to recommend to those people who were starting out today to either completely stick to brandable domain names like you do or to start off buying keyword-rich domain names, or a mix, would you have a recommendation for them?

Michael K: I would definitely go to brandable. And brandable does not mean, like mine are two words. I mean they are real words that are together. I would say the majority of my names are two real words that you put together, and so it does not have to be made up, but the keywords. Companies just start buying extended keyword phrases. (Unclear 58:51.4) is not investing in ComputerLaptopKeyboards.com. You know what I mean.

Michael C: Unless it has just massive search volume and tons of advertisers. Then maybe, but you are going to spend five to six figures for those domain names.

Michael K: Yeah, it is going to be out of your budget to begin with. So, no, the real money is definitely in brandable names and the keywords, and then

some people say well, you should develop it. Developing takes a long time to do anything right and it is a pain in the butt and you still do not make any money off of ads anyway. And for passive income, definitely brandables is the way to go.

Michael C: Hey Michael, are you afraid that coming on DomainSherpa and telling people that brandables is the way to go is going to create more competition for you as a domain investor?

Michael K: I do not know. I do not think so. I mean there is plenty out there. There are so many names that I miss. I mean you cannot go through two or three thousand names a day and not miss a few of them, and you definitely have to work a little harder to get up there, but I do not think I am exposing any secrets. All the knowledge I acquired is just through the years of doing it, so I do not know if there is any golden ticket. Just patience I would say and just slowly building the portfolio up.

Michael C: Yeah, hard work and patience and a little bit of luck, and a lot of people are unfortunately missing those. The luck comes to those who are prepared, as they say.

Michael K: Yeah.

Michael C: If you have any questions for Michael, please post them in the comments below this video on Domain Sherpa and I will ask Michael to come back and answer as many as he can. I also encourage you to take a moment to say thank you to Michael for coming on here, for sharing his insights, his experience, being open about what he does and how he does it. I am going to have a link below to thank him on Twitter if you would prefer to do that, but if you could just post a comment that even just says thank you, I know that if I were to come on a show like this, I would love to hear that I have helped other people achieve their goals. I am going to be the first to thank Michael right now.

Michael Krell, Owner of MediaPlow.com. Thank you for coming on Domain Sherpa, sharing your insights on buying and selling brandable domain names, and thanks for being a Domain Sherpa for others.

Michael K: Thank you, Mike.

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

Watch the full video at:

<http://www.domainsherpa.com/michael-krell-mediaplow-interview/>