

The Rise of .io: How to Value and Sell for Profit - With Mike Carson

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<http://www.domainsherpa.com/the-rise-of-io-mike-carson/>

On today's show, we revisit the growing popularity of .IO domain names, show you a quick hack on how to value them, and show you how to reach the right end users to sell them. Stay tuned.

Three quick messages before today's show:

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

Second: Serious about online trading? Secure your funds, keep your merchandise safe, and use a company that keeps the buyer and seller protected the whole way through. That's Escrow.com. Payments you can trust.

Finally, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at DavidWeslow.com.

Michael Cyger: Hey Sherpa Network, my name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you can learn how to become a successful domain name investor or entrepreneur directly from the experts. I had today's Sherpa on the show back in early 2015 to discuss .IO domain names and his drop-catching service called Park.io. I did it

because I saw value in .IO domain names and had used his marketplace to buy PHP.io for 1655 dollars that I flipped 30 days later for six thousand dollars.

In the past year, .IO domain names have continued to grow in use and value, and today we are going to discuss a valuation system and process for selling .IO domain names. Get your notebooks and pencils ready. I am pleased to welcome back to Domain Sherpa the Founder of Park.io, Mike Carson. Welcome, Mike.

Mike Carson: Thanks. Thanks for having me back.

Michael: Love the trucker's hat. Give us a little. There you go. Park.io.

Mike: Thanks.

Michael: So, Mike is going to wear that at NamesCon coming up in January. Maybe he will bring a couple extra for a couple users.

Mike: Yeah. Okay, yeah, sure.

Michael: Awesome. Everybody loves those. What is the popularity of trucker's hats nowadays?

Mike: I do not know, yeah.

Michael: It is everywhere.

Mike: Yeah. I mean it was cheap to make and it is kind of cool. I mean it is nice to have if your hair is all messy. Bedhead or something.

Michael: Totally, yeah. All right, and yours probably is because you have got a newborn at home, and so you probably just rolled out of bed and came here.

Mike: Yeah, it has been crazy.

Michael: It is afternoon. All right, congrats on your newborn, by the way.

Mike: Thanks.

Michael: All right. For anyone that is just hearing about .IO domain names for the first time on this show, you should scroll down to Mike's bio on this pair and click through to see his other show from 2015. Mike, .IO is the country code top-level domain or CCTLD for the British Indian Ocean Territory. I do not even know where that is. Do you?

Mike: No, I have no idea.

Michael: A lot of CCTLD, like .LY, .IO, and .ME, are being used as hacks by startup companies. And not even as hacks. They just want to use a short, cool, top-level domain and they have picked a lot of these CCTLDs. You have noticed this on your marketplace because you used to just sell .IO, .LY, and .ME, and now you have .TO, .SH, .AC, .VC, .GG, and .JE. You keep adding CCTLDs. Which ones are the most popular on your marketplace?

Mike: Well, .IO is definitely the most popular. I kind of list them in order. The tabs along the top are kind of in the order of popularity, but yeah, .IO. .LY is probably second, and then .CO.

Michael: So, you have .TO before .ME. That surprises me. You sell more .TOs than you do .ME.

Mike: Yeah, .ME. I do not know what has happened. Maybe it is just a lot of the good ones are taken or something, but it does not seem as popular. I thought it would be more popular.

Michael: Yeah, me too.

Mike: But I mean it is still used. I still see people using About.Me and things like that, but it seems like it has gone down since before, when it was a lot more popular.

Michael: Yeah. And you just hit a major milestone on Park.io in terms of sales volume, right?

Mike: Yeah, we just passed one million in revenue.

Michael: Wow, one million. The big seven figures. And how long did it take you to hit one million?

Mike: It has been about two years.

Michael: Wow, congratulations.

Mike: Thanks. Yeah, actually I just ran the numbers and June was our best month so far and it was actually almost double our previous best month, which was the month before, so it is going pretty well.

Michael: That is awesome. Do you consider Park.io to be a drop-catching service and a marketplace or it is just a marketplace?

Mike: I consider a drop-catching service.

Michael: You do.

Mike: Yeah.

Michael: Okay. So, I can go to your service, put in a backorder for Mike.io, hopefully you do not outbid me, and then your service will catch it, but it will be auctioned off as well.

Mike: As long as another person backorders it. If you are the only person that backorders it, then you get it for 99 dollars.

Michael: Right. Okay, and then you are buying them for less than 99 dollars, right?

Mike: Yeah.

Michael: So, that is how Park.io makes money, is that you get them for less. About 60 dollars or something different?

Mike: Yeah, we get a discounted rate.

Michael: Discounted.

Mike: Yeah, but actually sometimes we pay more. It is like we really try to get that. So, we put all the expiring domains on there and sometimes they will get renewed right beforehand, and if there are a lot of orders, and I will even try to reach out to the person who renewed it, the owner, and see if we could buy it to get it on Park.io.

Michael: Oh, wow.

Mike: So, there are times where I pay more than 99, but it is usually lower.

Michael: So, you are not just setting the marketplace off. Go operate. You are actually doing a lot of management of it as well, because some names will not just be a catch. You will need to go negotiate with the seller or you will put a backorder yourself in with the registry in order to get it, so it is a lot of work on your part.

Mike: Yeah. Yeah, I mean I try to be pretty aggressive to get all the ones that come in.

Michael: Yeah, that is awesome. So, you originally, if I am correct and if I remember correctly from last year, you built Park.io for your own use originally, but then you opened it up for others to use as well . Correct?

Mike: Yeah, I have been thinking about this and I think I am originally an end user for .IO domains. I am a developer and I started to get into domains because I wanted to get some .IO domains to launch my projects on. And so, I started as an end user and I think now I am still an end user, but I moved into the domain investing, and so that is kind of the path of where Park.io came from. Along those lines.

Michael: Yeah. How many .IO domain names do you currently own today would you say?

Mike: I would say a little under one thousand probably. Probably like seven hundred.

Michael: That is a lot of domains.

Mike: Yeah.

Michael: And how many have you sold in the past 12 months would you say?

Mike: I think it is around one hundred private sales. Yeah, one hundred private sales.

Michael: Wow. And how many of those were end users contacting you to buy them roughly verses like you actively selling them on a marketplace, which we are going to discuss later in the show?

Mike: I would say it is probably a little over half are end users coming. Maybe 65 percent or something. That would be my guess. Maybe more. 70.

Michael: 65 to 70 percent end users coming to you.

Mike: Yeah.

Michael: Wow. Those are developers, just like you, that are working on some software, a product or a service online, and they want to use a .IO domain name.

Mike: Yeah.

Michael: What do they want? What kinds of names?

Mike: A lot of different ones. I mean everything you can think of. I could look. Let's see here just really quick. Crawl.io. Just sold Tile.io. Drip.io. Teleport.io. A lot of Bundle.io.

Michael: So, what we can say is that they are all single-word .IOs.

Mike: Yeah.

Michael: Nouns. Verbs. I did not hear any adjectives, like great or bright.

Mike: Yeah, I guess I never really thought about it that way. I just kind of go with gut feel on a lot of these.

Michael: Yeah, go with gut feel in buying them or selling them you mean.

Mike: In buying them.

Michael: Buying them, but you have also converted that gut feel into a process that we are going to discuss too, right?

Mike: Yeah. There are a few different indicators, and then I mean at the end it is gut feel too.

Michael: Right. Definitely. All right, so what I am going to do right now is I am going to start sharing my screen. I think you are going to be able to see it, Mike, because then I want to go through some sales that you have made and then your process. So, let me go to share screen, and I want to share window. Okay. Mike, do you see the Chrome screen?

Mike: Yeah.

Michael: Okay. So, this is Mike. It is weird to see Mike C, because I am like that is not my picture, but this is Mike Carson's profile on Flippa. So, when you do not receive inbound inquiries on your domain names, Mike, you are actively selling some of them on Flippa, right?

Mike: Yeah. I mean I was trying to list like one per week or something just to keep the domains rotating and stuff. I was trying to do it on a regular schedule, but I have kind of slacked off on that, but it is not necessarily the ones that do not get any inbound inquiries. Sometimes if I get like a few different inquiries for the same domain, I will just put it on auction and then

send the link to all the people that asked about it so that they can bid against each other.

Michael: So, even if you get inquiries and then it does not turn out to pan out with a sale, you will save that information and then if you later auction it, you will send them an email and let them know.

Mike: Yeah.

Michael: That is smart. All right, and so you can see the URL up here. It is Flippa.com/users. That is Mike's user number, and I clicked on Listings to look at all the listings. Not his feedback, but his listings, and I can see that you have Rabbit.io listed with make an offer. I can see Teleport.io. You sold it for 26 hundred dollars about two months ago. It had 104 bids. That is a lot of bids.

Mike: Yeah, I mean I try to list everything no reserve and just get as much attention as I can. I feel like that is the best way to do it.

Michael: Yeah, and the no reserve gets everybody excited because they think I could buy it for one dollars, right?

Mike: Well, exactly, and it also forces people. If you put it at no reserve, they know it is going to sell, and so they have to do something about it. If they want the name, if they have interest in the name, they have to do something about it.

Michael: Yeah, and they realize that if they do not, that somebody else could get it and that could be their ideal name. It could be the best name that they can get for the money at this point in time.

Mike: Yeah.

Michael: Yeah. All right, so you sold VAL.io for 999 dollars two months ago. 57 bids. GStream.to. It says won make an offer. Usually you see either make an offer it was won.

Mike: Yeah, that one was the high bidder did not pay, but then I negotiated after the fact with somebody and sold it.

Michael: Oh, great. Wedding.io for 19 hundred dollars. 38 bids two months ago. FB.io. That one sold in the past, didn't it?

Mike: It sold, but the high bidder did not pay. I mean I was not too disappointed with that because I was hoping it would go for more.

Michael: Yeah. What was the sale price even though it did not conclude?

Mike: I think it was around five to six thousand.

Michael: Yeah. Idea.io sold for 8,888 dollars three months ago. Tablet.io for 800 four months ago. Stamp.io for 1,005 four months ago. Traffic.io for 14 thousand dollars. That one looks like the high one on the board here.

Mike: Yeah, I think that was my highest one on Flippa.

Michael: And only 59 bids. So, sometimes it is less bids and it gets more, and sometimes it is more bids, but it does not quite sell for as much. So, these look like verbs and nouns. Tablet. Idea. FB is an acronym. VAL is an acronym too unless I do not understand what VAL is from a software perspective.

Mike: Yeah. I mean the reason I liked that one is because VAL is in programming. It is a word in programming.

Michael: Like value.

Mike: Yeah, but I think the person who got it, their name was Val.

Michael: That is cool. All right, so we see a ton of sales that you are making just through Flippa, and it is interesting that you use Flippa because you are not necessarily, and we are going to talk about this later, how you bring the end users to Flippa, but you are basically using it as a transaction engine. You

could send people to GoDaddy auctions or Sedo auctions. Why do you choose to Flippa auctions?

Mike: That is where I started, and so I have kind of just always used it. It seems to work well with me, with what I am using it for. I have a following on there. I know how to use it. I know Kevin. I like Kevin from Flippa. So, I do not know.

Michael: Yeah, you just went with it and now you are a super seller there, so you get that little S with a green badge because you have sold so many and had so many good transactions.

Mike: Yeah.

Michael: Cool. Let's take a look at a couple of your listings because I want to understand how you do it. This is the Idea.io listing. It was good enough that the editors over at Flippa decided to make it an editor's choice, which then gives it an extra highlight. Sold by buy it now. 8,888 dollars. You wrote this. Very rare opportunity. One of the best .IO domains. No reserve. And then you can see the seller's notes right here. Excellent investment. You can read exactly. Basically you talk about why it is a good investment, why .IO has taken off, who is actually using .IO, and that investors are supporting them by giving them investment in it.

Here is the Wikipedia. Here is a blog post about the rise of .IO. So, basically, in case anybody has never heard of .IO, you are convincing them that you are not crazy for buying a domain name extension other than .COM.

Mike: Yeah, exactly. I mean I feel like a lot of that description is not really necessary. It is just something I kind of copy and paste every time.

Michael: Every single time, right, because it is identical if I go over here to Traffic.io. It is the exact same thing.

Mike: Yeah, the people who are bidding on it know why they want .IO. I thought about this. So, when you are choosing a domain name, and I have only been doing this for a couple years, so I do not know a lot, but when I

watch things, you want to impress and you want to have something that they could remember and it has strength when you put it out there. A domain that has strength. And of course .COM, like if you have Stripe.com, I mean that is like perfect right there, but if it is something that you do not have the .COM, if you cannot get the .COM, it is not possible, people know .IO and I think it shows a lot of strength to launch with a word like Traffic.io.

I know if I launched that on Hacker News, if I had a service and I launched it on Hacker News, people would be impressed. It would show a lot of strength.

Michael: Yeah, and so I want to make it clear for people that are watching that do not understand the software, high-tech community. They may be thinking right now, Mike, Mike is crazy because I would rather have GetStripe.com rather than Stripe.io or GetTraffic.com rather than Traffic.io, but that is not the way the end users you are targeting, the end users that are contacting you, the 70 people that bought .IO domains from you on an individual transaction over the past year are thinking, right?

Mike: Yeah, I mean it all depends on who you are targeting and what your business is. If you are running a local painting company, then maybe like PaintingSolutions, but can you imagine InstagramSolutions.com or FacebookSolutions.com? This is just my opinion, but it seems so weak, or even like GetSomething or SomethingHQ.com. It is so much more weak than Traffic.io. To me, and this is all my opinion just from my background and stuff, but that shows a lot more strength I think.

Michael: Yeah. Well, and you have got the data to back it up. It is not just your opinion about GetTraffic.com versus Traffic.io. You are selling these domain names. You have the marketplace where you are selling to investors, but you are also an individual investor and you are selling to end users just like yourself, which is why you built the marketplace. So, I want to make it clear to people that this is real data. I showed you what he is selling on Flippa. I do not know exactly what you are selling in the private markets, but I tend to believe what you are doing because I see what is happening on Park because I am an active buyer on Park.io.

Mike: Yeah, I mean that is a good point. So, I was speaking more about the end user perspective, but also from a domain investing perspective. A lot of people are like oh, you should only go with .COM. .COM is king. .COM is king. So, obviously it is higher priced. It is higher value, like Traffic.com would be worth a lot more than this, but as an investor, you should not just think about things. You should think about it in terms of investment. What is a better investment right now? Is Traffic.io a better investment than GetTraffic.com? So, it is important to think about it in terms of investment; not just in terms of value.

And also I think it is really helpful. This is what I do personally, is break things up into TLD. My sales. I will look at all my sales. All the money that I spent in .LY and all the money I am getting back from .LY, and .IO, and other things. Break up single-letter, words, and stuff. And then, from there, for me it has become obvious that .IO has been a great investment for me compared to like .COM. I think I sold one .COM in the last two years.

Michael: Wow.

Mike: So, this is just from my perspective and things to think about for other investors.

Michael: Yeah. Yeah, and I talk publicly about it. I do not buy a ton off of Park.io, but I consider myself to be a really bad developer. When I built my first media company, I programmed everything myself, and I got hacked multiple times like eight years later because I do not know how to do cross CSS and XSS. I had tons of vulnerabilities. Anyways, so I am a hack when it comes to programming and I like the .IOs. When I see a domain name, I immediately think what would I build on top of that.

So, that is why I like them, and I see certain domain names on Park.io. I cannot help but put in a bid and try and pick them up. I picked up Staffing.io because I know for all the startups that are happening every single day, week, month, they need great people and there is going to be a staffing company that is going to want to serve just the startup community. Maybe take a piece of the company. Whatever. And so, I picked it up and just a few months later, from an Efty landing page, I sold that one for 15 hundred dollars. So, I did

not have to go to anybody. They came to me and it was an easy sale because they get it, just like to your point.

And so, the thing that I try and tell students in DNAcademy is that there are many ways to make money in domain name investing. You may not get robots or drones. You do not understand social media. Maybe you do not know about the healthcare industry. So, you do not want to invest in those things, but if you know startups and you understand and you enjoy reading about startups in TechCrunch and looking at who is getting funded in CrunchBase and all that sort of stuff, .IOs are a good place to make money because they like them.

Mike: Yeah.

Michael: Yeah, so you make a great point that I just wanted to reemphasize there, Mike. Okay, so we talked about what you are selling. We talked about the value of .IO domains to these end users who are starting companies. Now, typically startups do not have any money, Mike. How do you reconcile the fact that you have got these .IOs and you want to sell them for in the thousands, right? Traffic.com is a million-dollar domain name. Traffic.io you sold for 14 thousand. So, we are not saying they are equal. We are just saying if you cannot get the .COM, instead of going for a two or three-word .COM, you can get the .IO. How do you reconcile the fact that startups are willing to pay a few thousand dollars for a single-word .IO?

Mike: Well, personally I think domains are so cheap for what they offer. I mean for what they do. It is your brand. I mean it is just so cheap. So, I think a lot of these people just realize the value. Traffic.io for 14 thousand. I feel like it is so much more valuable in terms of the business from that standpoint, and I think these are a lot of startups, but a lot of startups have a few thousand to put up for this, so I think it works out.

Michael: Yeah, and they realize. The ones that are not really bitter about having to buy domain names from investors, they realize that it is an investment that is going to help with their branding and they realize they need to buy a domain name. A good brand for their startup.

Mike: I mean at first, as a developer, when I was doing all these domain things, I was like am I a domain squatter. Like oh man, am I the bad guy? But then after selling one hundred, it is like 99 of those sales the people are so grateful, like thank you so much. They are so happy to get that domain. Then I realized I did not feel like the bad guy anymore. I feel like it is providing something.

Michael: Yeah, unless you are breaking the law, which is why UDRP is there - you are buying a domain name in the hopes of financially benefiting from somebody who has a trademark on it and you bought it in bad faith. You are using it in bad faith -, it is just like buying unused land. And I do not feel badly when somebody comes to me or I go to somebody else who owns unused land and they tell me what the price is, and I could pay or not pay. I do not think they are a squatter because they are not using it. I know a lot of developers. I know the Reddit community and what they would say about it versus I, but I agree.

So, what trends can you point to, to validate your knowledge of the growing trend in .IO domain names, Mike?

Mike: Well, yeah, I mean besides the sales coming in and stuff, there is the Google Trends link I sent you. The graph on that. I mean it is just going crazy.

Michael: Yeah, here it is. Look at that. It is nothing from 2005, 2007, 2011, 2013, 2015 you see a spike, and then bam, it looks like it is actually an error. It does not look like it should be going that high.

Mike: And the funny thing is it looked like that in 2013.

Michael: Right, because if you take off the big, you see a little spike there in 2013 there that was probably similar to what it looks like now.

Mike: Yeah, but it has gone nuts. I mean more than I could have imagined that it would go.

Michael: Yeah, and if you scroll down here, the regional interest you need to be careful of because it is interest in Ecuador for people that are searching. So, I do not look at that, but the related searches. check this out. Games.io. Here are the queries on Google that is causing that massive spike.

Mike: Yeah, it is just these weird things that happened. So, .IO. I got into it because of tech names. It is like startups and stuff, but now there is a whole genre of games that are .IO games. Started from I think Agar.io.

Michael: Right here. Yeah.

Mike: Slither.io.

Michael: Yeah, my kids call it Slitherio. They play that one all the time. Before I even knew that they were on a .IO domain name, they were like hey dad, watch me play Slitherio.

Mike: Yeah, and so now all these games are being created with .IO, so it is interesting that that happened.

Michael: It is. So, you think just the gaming industry going to the .IO has driven that major spike this year.

Mike: I think that has a lot to do with it. I think that definitely has a lot to do with it, yeah.

Michael: So, I mentioned just before I hit the record button that my daughter had her 14th birthday today and we went out to breakfast, and my son brought his iPad and he was playing Tank. It is a new game, just like Slither, that all the kids are playing, and he calls it Tanki Online. And I went and searched and some people are actually using Tank.io I think for the Tanki Online, and they are just using the domain name Tank.io even though Tanki Online is not using that domain name for their game.

Mike: Yeah. So, I mean this is something unexpected that happened. I mean it is kind of just random luck. So, yeah, we own Tank.io and we just noticed

we were getting a ton of traffic, so I put it on Parking Crew and it is making a lot of money, like one thousand dollars per day.

Michael: That is crazy. So, you bought this domain name for 50, 60, whatever bucks, like that order of magnitude, and suddenly it is making one thousand dollars per day because that one game started using it.

Mike: Yeah. And so, everybody watching this, all the people who have .IO domains, check your traffic because you may have really lucked out. And if you have not yet, I mean these games are being created all the time. So, do not sell your .IO domains that sound like games too inexpensively yet because they could really pay off.

Michael: Yeah, so that is a lottery ticket. That is just crazy awesome. Congratulations on that. Would you consider selling it if somebody came to you, because this is going to be a transient effect? This game is going to fall off and some other game is going to replace it in a month or two months or three months. If somebody came to you and said hey Mike, I will buy it from you today for 30 days revenue, would you sell it?

Mike: Not 30 days. No way. Six figures. I will do it for six figures.

Michael: And by the time that loses its value, you will probably have six figures out of it.

Mike: Yeah, probably.

Michael: I am going to have to come back and revisit that. All right, so this is the .IO graph on Google Trends. So, if you have not used Google Trends before, go to Google.com/Trends and you can type in a domain name. And you can look at it worldwide. You can look at it by time period, categories, and web search. The other thing you showed me is .IO compared to another gTLD, .ORG. And so, what is interesting on this graph - .ORG is in red and .IO is in blue -, .ORG has a lot of companies. A lot of not-for-profits are using .ORG, but look at the Google Trends, the searching for .ORG over time, and then look at the cross right here that just happened in April, where

.IO shot up and it is being more interest using Google search for that domain name.

Mike: Yeah, this whole gaming thing. I mean who knows what is going to happen, but it has kind of just started, so it is maybe a really great time to invest in .IO.

Michael: So, you can see what people are searching for. They will type in PBS .ORG or PBS Kids .ORG, so that is how Google is looking at the interest of some of these and then comparing it to the .IO. It is Games .IO or Slither .IO or .IO Domains because people want to understand what the .IO is that they keep seeing all over the place.

Mike: Yeah.

Michael: Yeah. All right, very cool. Just wanted to show that graph to the audience. So, let's get into your valuation system. You have a way to value .IO domain names because you were not seeing the valuations on EstiBot reflecting the true valuations that you were getting in the end user market.

Mike: Yeah. I mean EstiBot is great. I use it all the time, but I think for .IO it does not yet take into account the tech, like the startup aspect of it, and so that is why I developed this other method.

Michael: Which, quick side note, if you are in another industry that is changing rapidly that maybe is a niche, and we could call this. This is a niche. A teeny, little niche. Not to belittle your marketplace or anything, Mike. Clearly you are making a lot of money doing it, but it is a niche, and the riches are in the niches, and so you need to look and see what expertise you have in another industry that you can listen to Mike and how he does his valuation and look to see if there is something that you might be able to do in a similar, analogous industry for you. So, I just wanted to throw that in to get people. I do not want people to just think oh, that is .IO. I do not invest in that. I am not going to do that. I want them to think out of the box and say what do I invest in, what is Mike doing for his valuation system, and is there something that is similar in my industry that I can take a look at.

So, EstiBot was not cutting it for you, so then what were you doing, Mike?

Mike: So, just as an example for Estibot, Quilt.io. I think they estimated it at like ten thousand, which I cannot really see a startup. To me, I did not really think it was worth that much. I mean maybe. So, they are probably basing it more on keyword and stuff.

Michael: Right.

Mike: But then I have other domains, like Type.io and Command.io, which EstiBot puts it at like two hundred or three hundred and I know it is worth a lot more than that. So, yeah, that made me think about this other method. This secret method, which I am going to reveal right now. So, should I?

Michael: Yeah, let's do it.

Mike: Is it time?

Michael: It is time. Ba-bam.

Three more quick sponsor messages.

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

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Finally, if you're struggling with how to buy, sell, and value domain names, you need to check-out DNAcademy.com. Published by me, Michael Cyger of DomainSherpa, and trusted by Uniregistry to train their new employees, you too can learn using the DNAcademy accelerated learning system for domain name investing. Learn more at DNAcademy.com.

Mike: So, yeah, Github.

Michael: So, what is Github, first of all?

Mike: So, version control is a way to keep track of the changes you make to your software, and there are different programs you can use to keep track of it and one of them is called Git. And Github is a way to do it online, like a social way to keep track of this, and you can collaborate with other developers, and so you can host open source projects and things like that. It is really popular though, and there are millions of users. They are all developers and basically all people who use .IO domains.

Michael: Right. And you get street cred when you share software on Github that is open source or whatever, or you find a bug. You can share how you found it and fix it, and then share that. You can do version control with your developers, which I use Github for. So, lots of different ways to use it, but basically developers want to get on there because it is almost like their resume for awesome software that they have built.

Mike: Exactly. Yeah, when I have hired developers, I look at their Github and see what they are doing. To me, it is much more important than a college degree.

Michael: Yeah, if you see somebody on there with a ton of repositories and people are following it because they want to see what is going on and they are active on there, that says a lot about them as a programmer, developer, sharing back with others.

Mike: Yeah.

Michael: Yeah. Cool. So, you went to Github. And what do you do there?

Mike: So, you just search for the keyword. You search for the domain. So, I do not know if you want to do an example.

Michael: Sure.

Mike: Let's see. What is a good example? Well, let's try Type.

Michael: Type.

Mike: Yeah.

Michael: So, you do not even need to be signed into Github. I am not signed in, as you can see. I am just going to type it in the search box, hit enter, and it comes back. What am I looking for?

Mike: So, yeah, it says we have found 50,728 repository results. So, that number result is what I use as an indicator. It is not an exact science, but as an appraised value of the domain. So, I would appraise the value: the Github appraisal of that value would be 50,728 dollars for Type.

Michael: Wow. So, every single repository result is one dollar in value for the domain name, Type, and then you append the .IO, so Type.io.

Mike: Yeah. So, that is how.

Michael: And you are not saying it is worth exactly 50,728 dollars, just like EstiBot does not say the exact value of a domain name. For all your newbs out there that always say EstiBot is off or Mike's appraisal is off, we are not saying exact pricing. We are saying order of magnitude.

Mike: Yeah.

Michael: So, it is closer to a 20 to 30-thousand-dollar domain name or maybe an 80-thousand-dollar domain name than it is like a two-hundred-dollar domain.

Mike: Yeah. And I use it as another indicator, but basically yeah, in my head, I think of it as the dollar value, the results.

Michael: And then what are these repository results?

Mike: These are all code projects that have the word 'type' in them. So, that first one, you can see it is JavaScript project and it has like 54 stars. 19 people have forked it, so they are working on it. And then TypeScript, the third one down has like 12 thousand. So, you can see why. Now, these are all tech people, startup people, and you can see how this is a good indicator of the value of the .IO domain, because a lot of these people may be interested.

Michael: Yeah, there is a blogging platform called Type Echo. 2,193 people are following it. Seven hundred people have forked it, meaning they have taken the entire codebase into their own account, and they are working on their own version of it.

Mike: Yeah, basically.

Michael: Or maybe doing some debugging or coding, and then they are going to bring it back into the main channel later.

Mike: Yeah.

Michael: Type Theme. And so, basically it tells you who the person is and then the name of the project or repository, and then they have whatever description that they have written. So, free and open source Jekyll theme. I do not even know what Jekyll is. A showcase of the best typefaces from Google web fonts directory. That would be cool to actually see. FlowType.js, so that is a JavaScript. You can see this is a cascading style sheet (CSS). GLSL. I do not even know what that is.

Mike: Yeah.

Michael: But there are 50 thousand results. Okay, so that is how you determine.

Mike: Yeah, and so as another example, you can type Quilts in there, because I think EstiBot puts it at ten thousand, so you can see the difference.

Michael: 312.

Mike: Yeah.

Michael: So, the order of magnitude for the value of Quilt.io is a few hundred dollars.

Mike: Yeah.

Michael: Yeah, and I would say that that is right. I cannot imagine. Maybe Quilt could be a theme for WordPress that allows you to integrate your profiles together or something, so maybe. Maybe there is like one or two use cases, but there is not a ton, like Type, where people would want to use it.

Mike: Yeah.

Michael: So, there just are not that many pieces of software developed and likewise, there are less repository results, so the price of that domain is lower. So, that is generally how it works.

Mike: Yeah, and so actually I rely on this more than Estibot. For me, this is the end. If I type it in and it has like three hundred, I am like I do not know who is going to buy it. If people are not naming their code off it, then I do not know who is going to get it. Maybe another domain investor or something. So, this, for me, is what it comes down to for me, is Github. So, I really rely on that.

Michael: Yeah. So, repositories are listed over here and then you have code. 482 thousand. Why do you use repositories versus code?

Mike: Well, because repositories are what they are naming a project, and so that is more correlated. They are usually going to launch a project on a domain name, so I think it correlates more to that. The code is just like it searches in the code itself, so I do not think that really make, and issues is like another thing. Users we will get to.

Michael: That makes sense. So, I took your public sales that are listed on your profile at Flippa, and then I matched them up with the search results on Github, Mike, and then I charted it.

Mike: Okay.

Michael: Here is what it is, man. So, here is Teleport.io. 26 hundred dollars sales price. 815 search results. VAL. I just took them right in order, added them to the spreadsheet, and threw this out here, because I wanted to see if there is a correlation between these, and so there is not a direct correlation. Here is VAL, which was a low sales price. A thousand bucks, which if you bought for 60 bucks, or one hundred or three hundred bucks, getting a multiple time return nobody is going to complain about. But you would have thought this one would have a really high peak, but generally, if it has a peak in sales price, it has a peak in search results as well. Here is a peak. It is not the same order of magnitude, but you do have a couple that do not quite match up, like VAL and Well.

Mike: Yeah, this is interesting. So, the Github search. So, when you type in VAL, it returns a lot, like 28 thousand results, but that is also returning results for value, so there is no way to search it for the exact match of the keyword. It searches for any word that begins with VAL.

Michael: It is a broad match filter basically.

Mike: Yeah, and so I wish. I contacted their support, hoping that there would be some way to do it, but there is not. So, yeah, that is the one problem with this. If you typed in TYP into Google, it would show higher value than Type because there would be more results, and TYP.io is not good.

Michael: No.

Mike: Yeah, so you have to keep that in mind.

Michael: Yeah, definitely. All right, but in general, I wanted to see if these are going to match. Are the highs in search volume and the lows in search volume matching the highs in sales price and the lows in sales price, and generally it does match. So, it is not an exact science. There are going to be exceptions, but I think your process to determine relative value - what is worth more and what is worth less - is a great system on Github, Mike.

Mike: Thanks. Yeah, it has worked pretty well for me so far.

Michael: Yeah, so let's see here. Oh, one thing I wanted to ask you is that a lot of these prices were round numbers and I would not expect them to be round numbers like this on no-reserve auction on Flippa, that people are going to knock it out five dollars a piece or a dollar a piece, but these are pretty round numbers. Why do you think they worked out like that?

Mike: I do buy it now a lot of times. If there is a lot of interesting at the beginning of an auction, people will reach out and they will be like I want to buy it now, and so sometimes I will just put a buy It now price out there and they will take it, so that is probably the case where that happened, like with Traffic.io and Bid.io and probably Inspire.io. A few of those.

Michael: Yeah. So, you are willing to sell it quickly or more quickly rather than maximize the retail value of a domain name. Why not just let it go to auction?

Mike: Well, I do not know.

Michael: I am sorry. Let the auction proceed and end on a schedule.

Mike: Well, I mean it is tricky. Sometimes if it plays out, it might not go as high. Basically that is what I am trying to do, is try to get it as high as possible.

Michael: I see.

Mike: And so, sometimes there is a lot of hype. In the auction, there is a ton of bids right at the beginning. A lot of people are bidding and a lot of people are really interested, and so just going off of that, instead of waiting and then there is a lull in bids and not much interest.

Michael: Yeah, that is always what happens. You get a big spike at the beginning, and then there is sort of a lull, and then you will get more action at

the end for the high-value domain names or domain names that a lot of people want.

Mike: Yeah, so with Traffic.io, there was a lot of interest right out of the gate. I mean I probably sold it the first day.

Michael: Are you serious?

Mike: Yeah.

Michael: Wow.

Mike; And who knows? Maybe it would have gone to 45 thousand. I mean Cloud.io sold for 45 thousand, so I do not know. Maybe I made a huge mistake doing that, but whatever.

Michael: But you made money and somebody else is happy with the domain name. You do not need to maximize every single sale.

Mike: Yeah.

Michael: All right. So, a lot of these are not necessarily what the market will bear as a retail price because you may have sold it for higher than the retail price or you may have sold it for lower than the actual retail price, so I just wanted to point out to people that the sales price in this column, in some cases, are just buy it now. So, that is why you may not necessarily see. Not necessarily to say that, again, the valuation system that Mike Carson has come up with could be right on the money or it might be off, or whatever the case. I am just trying to point out that there are some additional factors in here that people should be aware of.

All right, so now we know .IOs are taking off. We know there is a different valuation system out there for those of us that are not necessarily in the software space to figure out what software developers and startups are thinking related to their codebase and going to Github and searching on the repository results. But if I took Traffic.io, if I owned it and I listed it on my Flippa account, yeah, I might get some bids on the first day, but I do not think

I would get a 14-thousand-dollar offer to buy it now, so you are doing something differently than the rest of us that are just actively listing, but passively waiting for people to find. What are you doing differently, Mike?

Mike: Yeah, so this is the second part of the Github secret. So, back on the search results for Github there is the users tab.

Michael: Yeah, right down here. Users.

Mike: And so, if you click on that, this lists all the users with type in their name. And so, you can see there are a lot of startup names, like BackType. There is MyType or TypeSupply. There are a lot of different tech startup people that have the word 'type' in the name. So, what I usually do for Flippa is I list no reserve, and then I just go here to the search result and there are email addresses. You can see that there is the email address.

Michael: Yeah, there is an email address right here.

Mike: Yeah, so then I just send an email to them and say hey, look, I am auctioning this domain no reserve in case you are interested. And so, this is where you get a lot of interest. This is, I think, the best outbound marketing resource for .IO domains, is Github for sure. I mean I have had so much success. So many people have come to bid on the auctions and won the auctions from this.

Michael: So, you come to the users. You look for a name for a startup that might be actually developing. Here is like TypeSafe. Maybe it is out in Belgium, and here is the email address for this person, and they might be interested in Type.io because they are a developer. Otherwise they would not be on Github, so they likely understand the value of .IOs and they might want to bid. So, you will contact them and let them know that it is at auction right now at Flippa.

Mike: Yeah.

Michael: Got you. And so, do you take any email address that you find? First of all, it is amazing that they are putting the email addresses right here in the search results.

Mike: Yeah. So, I try to find the ones that look more personal, like you are reaching out to a specific person, and then I just send an email, like hey, and I say their first name. I found you on Github. I thought you might be interested in this. But if it is like Hello@CompanyName, then what I will do is I will usually click on the company, so if you just want to click on one of those. Then, on the right side, there are people, and so these are the people that are the top contributors. Probably the people that manage this company Github site. So, then I will click on their profile and look at their email address, or sometimes they will not have it. They will just have a homepage, and then you might be able to get it from there. But basically you can drill down. If it looks like it is a generic email, it is not as personal.

Michael: Yeah, and this person is actually Github staff. This is not a person that you want to email unless you really want to get messed up by a programmer that knows how to work the Internet. Screw with the wrong people on the Internet and you are going to get screwed with. So, the one thing that I will say with this process of going to Github is that you better not automate the system and just screen scrape it and pull every email address and send it.

Mike: Yeah, do not.

Michael: And if you mess with the wrong person, you are going to get messed up.

Mike: Yeah. I mean I really try to see who I think would genuinely be interested and try to reach out to them and send them the link. So, yeah, and I do it all manually.

Michael: You do it all manually. Yeah, okay. So, funny enough, I recently purchased Popup.io on Park.io because I thought popup. I like that because everybody always want to kill popups or have popups. Marketers are terrible, but you need marketing in order to sell stuff. And so, you come to

DomainSherpa, you are going to get a little popup down the right-hand side that asks you to join our newsletter. It is an unobtrusive one. It does not get in the middle of the screen or anything like that, but I need a popup and software is always being improved.

So, I bought Popup.io. You and I were chatting. Actually you sold that one through your marketplace and I was the high bidder on that one, right?

Mike: Yeah, so ideally we want all the domains to go through Park.io, so I am even letting a lot of the ones of the 750 that I privately own right now. I am letting them expire and just go through Park.io because it is just easier for it to be all automated and everything to go through Park.io. So, Popup.io was one that we privately owned.

Michael: Yeah, which I had no idea at the time and I told DNAcademy students that I was going to buy it because I did not want to compete against them in case they really liked it. It ended up selling for 360 bucks, which is way more. If I did not do the interview with you a year ago, it probably would have only sold for 99 bucks and I would have gotten it. That would have been great, but I am willing to pay market value. So, 360, and I bought it thinking that if I put it on Flippa today, I think I could get 15 hundred to two thousand dollars. Without even knowing your system, I think the actual retail value of it would be around there.

Now, your system, if I type popup into the search, says 4,219 dollars because there is that many roughly, which is basically the same order of magnitude as what we are talking about. So, if I came to users and I am going through your system, these are the 53 users that come up with popup in their title. This first one, Popup Popup in Bavaria. Would you think this is a good one for me to pursue or not?

Mike: No, I do not think that one is because yeah, they do not even have a logo there. They do not have much information. And when you click on it, there is not much activity going on.

Michael: Right, so that is the thing. You sign in here and if they have activity, less activity is gray and more activity is dark. They have zero activity, so they

are not even active on Github, so they would not be a good person for me to contact even if I did have an email address listed here.

Mike: Probably not, yeah.

Michael: Okay. All right, and then because you are doing this manually, you do not want to waste your time. You want to find the right people to contact. So, Popup Arcade right here in my own town of Seattle. They do have a lot of repositories here. Oh, they actually have no people listed.

Mike: Yeah. So, for something like this, they have an icon there. Popup Arcade. That seems like they might be interested, especially because their domain right now is PopupArcade.org, which is not that good. I will not say anything.

Michael: Well, it does not even look like it is a real website, but maybe they have something coming on. Would you try and figure out an email address for PopupArcade.org?

Mike: I might. I might go to their website and see if they have an email. I mean yeah, it did not look like it was a real company. It might just be some project thing that they are doing. They may still be interested.

Michael: Yeah, all right. Then we have Popup Archive in Oakland, California, and I do have an email address here. How would you determine if you would email them to let them know that it is at auction?

Mike: Yeah, I would do it because it looks like it is a personal email. It looks like they would be interested. I mean that is the name. Popup Archive, and the domain name that they have right now. I think it would be an improvement to get Popup.io, or it would at least be valuable to them, so yeah, I think that they would be interested and I would definitely reach out.

Michael: Now, how come I do not see that same activity chart that I saw on the first one even though that I can see that this repository was updated 13 days ago, so they are relatively active.

Mike: That is because this is a company page. If you click on one of the people over there, you will see the contribution.

Michael: Okay. So, she has not been active here, but if I come back over here to Bailey, I can see that they have had some activity and there is an email address at my alma mater it looks like. And I come to the third one, and this is the person that is active.

Mike: Yeah, they are super active, so yeah, that would be a good person to reach out to too probably.

Michael: Yeah. All right. And so, this is basically your process. You just go down the list here. So, here is one that you were talking about. Hello@PopupCamp.com. Do you think a popup camp, because it is a camp, would want to upgrade to Popup.io?

Mike: I think that they might be interested. I mean Popup.io is a nice and short. It matches their name. I would reach out to them because I think that they would be interested.

Michael: So, they are really active, and then here is their name, here is their email address, and they are an active developer, so you would think that they would be a good match.

Mike: Yeah.

Michael: Popup Maker. Popup Cat. Popup Robots. Robots are going to control us someday, so be nice to the robots. So, that is basically what you do. You just go through here. So, how long does it take? So, why did you list Popup on your own marketplace rather than go over to Flippa and sell it yourself?

Mike: Well, I am trying to just make everything go through Park.io.

Michael: You are an automation guy.

Mike: Yeah, exactly. It is just cleaner from a lot of different perspectives, from a maintenance perspective, from a business perspective, and I think it is good for the users too. So, yeah, I think it just the best way to do it, so I am trying to get as many that can go through as possible.

Michael: So, I have got to ask you, Mike, because I was just thinking and I am sure my user base is thinking it. What is to stop you from just buying every domain name yourself? Well, I guess you are because you own the marketplace. Buying it yourself for 60 bucks and then maximizing your own revenue, but you own the company and you are the only person in the company, so regardless of whether you buy it and then sell it on your own marketplace or allow people to drop-catch it and then sell it, it is still the profits are going into your business.

Mike: Well, yeah, and if Popup.io was not backordered by anyone on Park.io, then it would have either just become available or maybe I would have got it. Maybe I would have kept it, renewed it, or something. So, I am not forcing it down Park.io user's throats or anything. It is just if people are interested, then yeah, it goes up there. But if they do not backorder it, it is not going to go up there.

Michael: Got you. All right, so how long does it typically take? How long do you spend of you time when you list it on Flippa, doing the marketing, doing the outreach?

Mike: This takes some time. It can take a few hours or so, but I know it is worth it. There have been times where I have a domain on Flippa and it had a little interest, but it was pretty low bids, like up to one hundred dollars or something, and then I spent a few hours doing this and then, later that evening, it is up to like five thousand dollars.

Michael: Wow.

Mike: Yeah, so it is totally worth it, but it does take some time.

Michael: So, you are an automation guy. Why don't you automate reaching out to all these people?

Mike: Yeah, I think the reaching out to people. You have got to be careful automating that stuff. I feel a little bit just sending an email out of the blue, so I want to do it the nicest way possible if I want to do it.

Michael: Yeah, you want to be a real, genuine person emailing them individually. You do not want any ISPs or filters, or anything to see that you sent out an email in bulk. Regardless of how smart you are, Google and other ISPs are going to realize that you are sending out emails in bulks, and so play it safe. If you want to make money, just do the homework, find the right people to contact, make just an earnest contact from you to that person, and offer it up. Have you ever gotten back any emails from people saying that they were pissed off, do not contact me, take me off your list, or things?

Mike: It is rare. It is actually rare. I mean I do get a few and I try to reply to them. Not defensively. I try to just be like I am really sorry. I try to be nice and win them over afterwards and maybe offer help, or I will be like you can have 99-dollar credit on Park.io. I am sorry about that. So, yeah, I mean there are a few, but it is not that that bad. If you reach out, and do not automate, and if you think that somebody is genuinely interested, you think they might be genuinely interested, then I think you are okay.

Michael: Yeah. And so, if somebody is thinking right now boy, I could scrape everybody with Type and send them GetTyping.net via my automated system, that is a crappy domain name, first of all, and it is not a relevant offer to the audience that you are going to reach through Github. So, you are failing on a couple of different points there, and I will go as far as to say like do not screw it up for the rest of us. Mike is coming on here. He is sharing information about this marketplace that any of us probably did not realize, and just do not screw it up for us. Be honest people. Find great domain names that people really want that are undervalued, and then offer them to the right people, and do not go overboard. Work your way into it slowly.

Mike: Yeah. In general, I think that is good advice in general. Just try. I think it is best. So, some people might not be making as much money with domain investing, and so they may do some things out of desperation, but yeah, I guess just do it what Mike is saying. If you are doing it because you think

that they are genuinely interested in what you are selling, then I think it is okay, but otherwise just be careful because it probably will come back to bite you.

Michael: Yeah, because I get out my domain name voodoo doll for every single time I get an email of a crappy domain name because it has a word of a two-word domain name that I own and somebody is just scraping the WhoIS database and sending me their poorly written, grammatically error prone emails asking me if they want to buy it. I stick another pin in that domain name voodoo doll, hoping that it is going to cause them a little bit of pain. So, do not be that person.

Hey Mike, can I share one of the emails that you send to people just to give an idea?

Mike: Yeah, sure.

Michael: All right, let me go to Gmail tab here. So, here is the forward just because you forwarded it to me. The subject is just the domain name. That is all you say.

Mike: Yeah. I am not actually seeing what you are sharing. Oh, no I see it.

Michael: Okay, so the subject is just Idea.io, for example.

Mike: Yeah, a lot of times, or sometimes I will do Idea.io Domain, so yeah, it is very basic.

Michael: And just hi (first name), so you personalize it. I came across your profile on Github, so they know why you are contacting them. I own the domain name Idea.io and I am auctioning it off on Flippa. Here is the URL. I thought you may be interested. Thanks, and have a great day. Mike. That is it.

Mike: That is it.

Michael: That is it. You do not need to sell them. You do not need to do anything. And if they are interested, which they should be if you picked the

right people because they are active and they use that phrase and maybe they are working on a software project or their repository is actively being updated, then they will probably click through and take a look at it.

Mike: Yeah. Yeah, it has worked pretty well. I mean it worked for Idea.io. I think the guy that bought that was somebody I emailed like this.

Michael: Yeah. All right, I am going to stop the sharing of the screen there and come back to you. So, you have shared a phenomenal amount of information here, Mike. You contacted me and I was like I am not sure I want to reveal all this stuff to the community because with great power comes great responsibility, so I appreciate you wanting to share back with the community. I can rattle off tens of domain investors that would not share their secret sauce like this. What made you want to share back with the community, Mike?

Mike: Well, it is a good opportunity for me to show how smart I am to everyone. I am just kidding.

Michael: Nailed it.

Mike: No, I do not know. I guess I do open source projects and when I do a project, it feels good. I am not making any money or anything. It just feels good when people use it or are using it, and it feels like I am contributing, and so maybe it is some of that feeling. Hopefully I am helping things to work better by revealing this information and maybe there will be some kinks, maybe some people abuse it, but it will eventually work out to make things better. And also, I mean it is good to help people. It is good in business and it is good in life. Those are the reasons probably of why I am doing it.

Michael: Yeah, and there are a lot of people that feel that same way and I am appreciative of you coming on here and allowing me to help tell that story and help people be responsible investors and think about the right thing and not necessarily trying to maximize every single penny out of a domain name, but getting the domain names into the hands of the right people, who will use it, who will be productive and create some great things out there. Software. Software is taking over. Everything is going to be written with software.

Someday, I am going to cryogenically freeze my body until there is a robot that I can put my brain into, and then I will live forever through software automation just controlled by my brain. It would not surprise me.

Mike: Yeah.

Michael: But I want to tell the audience that if you sat with Mike and me for an hour now and you have additional questions, clarifications, suggestions that you want to ask, you can post them in the comments below this video on DomainSherpa and I will ask Mike to come back and answer as many as he can. If you received benefit from today's show, if you learned something new, if you challenged your thinking about the value of not only .IO, but CCTLDs in general, country code top-level domains, or you thought about specializing in domain names for startups or healthcare or something, take a moment. Post a thank you in the comments below.

Click on Mike's Twitter handle. Send him a quick thanks. Say I am using it in an area. You do not need tell us which area. Maybe you do. Maybe you tell us which area you are. That would be cool to hear too. I know Mike wants to hear what is going on because as developers who share, it is cool to hear that other people are doing things that Mike helped inspire. So, I am going to be the first to say thanks to Mike.

Mike Carson, thanks for coming on the DomainSherpa Show again, sharing your system for valuing and selling .IO domain names, and thanks for being a repeat Domain Sherpa for others.

Mike: No problem. Thanks again for having me.

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

Watch the full video at:

<http://www.domainsherpa.com/the-rise-of-io-mike-carson/>