

### **One-word Domain Names Mean Big Gains from the Get-go - With Richard Kershaw**

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<http://www.domainsherpa.com/richard-kershaw-digital-interview/>

The Domain Sherpa community has asked me to follow-up with entrepreneurs and investors of past shows to find out who has made it and who has closed their doors. On today's show, we have one of the entrepreneurs who built a business and had a run rate of a million pounds and who also recently threw down hundreds of thousands of dollars for the premium domain name Digital.com. We are going to get an update on this business as well as find out where he is heading. Stay tuned.

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

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Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name investor and entrepreneur directly from the experts. You come here week after week. You listen to great, in-depth,

useful and motivating stories from entrepreneurs and investors. You think about how you might be able to implement similar strategies and tactics in your business, and then you wonder if the interview you are listening to with the entrepreneur or investor you are listening to is actually going to be successful a year or two down the road.

Well, today we are catching up with one of those entrepreneurs I have interviewed in the past to find out what has happened since their last visit. I would like to welcome back to the Domain Sherpa Show, Richard Kershaw, Co-Founder of Wish.co.uk, a day experience eCommerce business based in the UK and recent buyer of the premium domain name Digital.com. Welcome, Richard.

Richard Kershaw: Hi Michael, thanks for having me back.

Michael: Great to have you back. For anyone that has not seen your previous show, Richard, I highly recommend they go watch it. It is listed below the video. There is a link to that one. If anyone asks me what Wish.co.uk is known for, I tell them you sell experience days and people are like: "Well, what is an experience day?" Zombie shopping mall. Zombie boot camp. You get to show up at a location with a bunch of other non-zombies, and you get to hunt for and kill zombies. Right?

Richard: That is about the size of it. So, people come from all over the world to learn how to survive the zombie apocalypse.

Michael: Which is coming. I will warn the audience. But you also sell driving and flying experiences, spa days, special meals with your loved ones, and exotic adrenaline events. I love your business, Richard.

Richard: Yeah, we sell all those things too. So, pretty much anything you can think of that might be a slightly unusual skill to learn or experience to have - say you want to learn how to fly a fighter plane or race a Ferrari -, we can help.

Michael: So let me ask you. Since two years ago, when you were last on the show, has your business model changed in any noticeable way?

Richard: I do not think it has changed substantially. I think we have refined what we are doing and, like any business, we have a better idea now of what does and does not work. And in some instances, it has even been learning that we will never know what does or does not work until we test it. So, for example, we do a lot of TV work now and sometimes we do TV shows and it is the biggest thing ever, and other times we do something with TV and we see zero impact from it. So, I think we are still on a path of learning a great deal as we go along.

Michael: See, I would have thought that you would have it all figured out by now. I know you have a background in conversion marketing, as does your partner. When you say you are refining what you are doing, are you refining it from a marketing standpoint or a business standpoint?

Richard: From a marketing point of view. So, we are doing, like I mentioned, more TV work. We have recorded an episode of a show with Discovery Channel that is going out in a hundred countries. We have done some TV in Asia, which I think was on in 13 countries. We have got approached to film a TV show about us, which unfortunately is not going ahead, but it is nice to be asked.

Michael: So, these TV programs that you are doing. Are they editorial programs, where people want to understand a zombie apocalypse and they are sort of using the products that you market as a way to create some content around it, or are you actually just filming commercials that air within certain TV programs?

Richard: I am far too tight to pay for TV commercials. This is all editorial. So, for example, the Discovery Channel show is called Forbidden. It is done in the UK, end of September. I am not sure when it is screening in the US, but it is about people with unusual hobbies, so I think our zombie experiences fall under that category quite nicely. We got approached about doing a TV show, a sort of behind-the-scenes show about Wish, about how the business runs. We actually got approached by two different production companies. Unfortunately at the moment neither of them are going forward, but as I said, it is so exciting to be approached in the first place.

Michael: Yeah.

Richard: If you told me that when we spoke two years ago, I would have never had believed you. And we also do quite a lot of game shows, so we supply the prizes on Family Fortunes.

Michael: Interesting.

Richard: i think you guys probably know over in the US.

Michael: Yeah, fantastic. So, your business model still sounds like the same. You charge suppliers of events a commission to be listed on your marketplace. When their events sell, you handle the marketing, the transaction, the fulfillment, and the customer service. Is that basically right?

Richard: Yeah, so all that stuff is exactly as it was last time we spoke. I think all that has really changed is the marketing, so we have shifted slightly towards doing more TV work.

Michael: Awesome. And I cannot remember what your commission rate is for products and services that you list on your marketplace at Wish.co.uk. What is the commission or commission range?

Richard: It varies, but the common thread is all our suppliers like it to be confidential.

Michael: Okay, all right. What would you think is a fair range to charge for a service-based business like yours, where you do marketing, transaction, fulfillment, and customer service? You do the sales of it. What do you think is a fair range? For viewers that are thinking like: "Hey Richard, I like what you are doing. I am going to start a marketplace and sell like eCommerce books or I could go and contact my local restaurants in my small town and organize them on a website."

Richard: I think what you really have to do is look at what people in that sector are paying for customer acquisition already. So, if you are selling

million-dollar condominiums, you are not going to be charging the same percentage points as if you are selling zombie experiences. So, I think you need to look at what the norms are in your industry, and that is what we did. So, all the (Unclear 7:20.0) we are working with have other customer acquisition channels, and we know what it costs them to acquire a customer directly. We know what it costs them to acquire a customer through partnerships with us. And obviously then it is a commercial decision for where you pitch it.

Michael: Got it. So, if you are selling a zombie experience, I cannot remember how much the zombie shopping mall experience costs. It is a few hundred pounds.

Richard: Is it 139 pounds.

Michael: 139 pounds.

Richard: Yeah.

Michael: So, if I go to a local restaurant, a nice restaurant, it is going to be probably about one hundred dollars, 150 dollars, right around the same order of magnitude, but I can almost guarantee you that none of my local restaurants, or the nice local restaurants, know what their customer acquisition cost is.

Richard: You might well be right. I do not know the restaurant industry, but to take another example of real estate, they do know what they are paying to buy new leads. They know what it is costing them to acquire a new buyer. And I certainly think if somebody is looking at using a similar model to us, it pays to be in an industry where people get the value of what you are doing. You do not want to be having to persuade somebody. You do not want to be persuading restaurant owners in your town why they should be paying you in the first place because that is an enormous uphill battle.

Michael: It is. So, I asked you where your filming because it looks really bright and London is not as bright. I am over here in Seattle, which is very similar weather, and I do not think I am going to see the sunshine today. You

are getting ready for Affiliate Summit. I want to come back and ask you a few questions about Affiliate Summit and forming affiliate relationships and which industries are better for doing lead generation, where customers of those leads, buyers of those leads actually know the value of them. So, I am going to come back to that.

In May 2012, I had you and your Wish.co.uk business partner, Stephen Pavlovich, on the show. At that time you told me that Wish was on a run rate to hit one million pounds in 2012. Did you hit that revenue target?

Richard: I believe it was one million dollars.

Michael: Oh, was it one million dollars?

Richard: I am not sure what the exchange rate was at the time, but it was round about that sort of figure.

Michael: Right about there.

Richard: Yeah.

Michael: And what was your revenue in 2013?

Richard: Revenue since we last spoke is we are probably at a similar level now as we were then. I think it is one of the interesting things about operating in a very mature sector. So, some of the bigger companies in our sector have been around for 15 years. So, as the new intern in the business, we are never going to see revenue go up by an order of magnitude from one year to the next.

Michael: Got you. And who are your entrenched competitors? Who are the names that come to mind when people think of experience days?

Richard: Virgin, for example, in the UK. A company called (Unclear 10:27.4) Days. A company called Buy a Gift. So, certainly when you are talking about Virgin, we are talking about competing with some very big brands.

Michael: Got you. Is that Virgin like the airline Virgin?

Richard: Yes.

Michael: Oh, and they sell experience days as well?

Richard: Yeah.

Michael: Okay. Now, I thought you might say Groupon. I am not even sure if Groupon is around anymore. I do not hear about them anymore. I do not get any emails from them. I am not sure if they have ever expanded over into the UK.

Richard: Yeah, they do operate in the UK as well as lots of cute rip-offs. There is certainly a degree of overlap with our customers. I think the people who buy those products; it is more of an impulse buy. And a lot of our customers are people who are planning maybe a bachelor party a year in advance or they are giving a gift. So, if you like the opposite ends of the market, with Groupon you have the sort of impulse buyers, someone who wants to do something this week or today. And we are tending to focus on the other end of the market.

Michael: Got it. In 2012, you also told me that you had a goal not to make any profits. That you wanted to plow the profits back into the business and continue to grow it. Have you and Stephen been able to take any profits off the table from the business, or do you continue to plow them back into the business growth?

Richard: We have continued to reinvest everything the businesses earn. I think we discussed last time around we are both in the lucky position of having other businesses, and the nice thing about that is it means we can really swing for the fences and do things that you can never justify spending money on if you were concerned about turning a profit that month or that quarter. So, some of the PR work we have done is very expensive. Some of the TV stuff is very expensive. And I do not think we would be doing those things if I was fretting about paying my rent from the money the business made at the end of the month.

Michael: Right. So, you have been doing it now for three plus years. Many investors would dream of buying a great domain name like Wish.co.uk for 12 thousand dollars like you did and building a revenue-producing business, but it takes a lot of time. You have to try new marketing initiatives. You have to see if TV marketing works better than online search engine marketing. You always have to be trying new things. What lessons learned have you had in the past couple of years?

Richard: I think the biggest one, and this might be a slightly predictable answer, is having the domain we have and the name we have has really helped us punch above our weight in so many ways. It is something that touches on almost every interaction. And when people come to us, there is an assumption that we are a much bigger operation than we really are. So, we are a small team. We are a small business. We have worked with people like in the last year. We just did a big promotion with Coca Cola, so we had the Wish logo on 14 million cans of Fanta in the UK.

Michael: Wow.

Richard: And I think if you look the part, by which you mean you have a name that sounds like the name positions of where you want to be, you are in so much of a stronger position to take advantage of those kinds of opportunities. I do not think we would be doing the TV stuff we are doing, I do not think we would be doing the Coca Cola promotion we did, or any of those things if we were called - the example I gave in our first interview - RichardsGiftShop.info. (Unclear 14:21.9) mention that on the side of a can of Fanta.

Michael: No. So, Nominet has announced that they are launching the .UK domain extensions. With the release of .UK domains to .CO.UK registrants, how do you guys expect that will affect your domain use? Will you continue to use Wish.co.uk or will you shorten it to Wish.uk, or simply redirect it?

Richard: For the time being we will still be Wish.co.uk. It is interesting to see who is rebranding. So, (Unclear 15:00.5) Internet, a big registrar in the UK,

have rebranded to the .UK. For now we have got no plans to change and we will see what happens over the next year or two.

Michael: Okay, so you are basically going to see what other big companies start to rebrand, start to do advertising, and start to change the mindset of UK residents. Is that fair to say?

Richard: Let me phrase it this way. I do not see a compelling reason to rebrand, so I am looking to see if one becomes apparent in the next year or two.

Michael: Isn't shaving off three letters in your domain name a good enough reason?

Richard: If the company was not branded after the domain name, yes, but the fact that we are called Wish.co.uk - that is on every logo, every package that goes, every letterhead - it is a non-trivial decision.

Michael: Right. There is a lot of expense to rebrand from Wish.co.uk to Wish.uk.

Richard: So, to lose three letters in an ideal world maybe yeah, but certainly at the moment it is not worth the expense to us.

Michael: Yeah, okay. So, one of the questions that you answered and said, "Well, we are plowing all of our profits back into Wish.co.uk because we can, because we know that growing a business takes time and money, and look at Amazon. They went years without being profitable in order to get growth as fast as they could." So, I look at that analogy, but you also said that, "Stephen and I have another revenue source that allows us to pay the rent, so we are not worried about taking money out of the business to live." Do you and Stephen still run ConversionFactory.com?

Richard: So, that is Stephen's business, ConversionFactory.com. They are an agency that does conversion rate optimization. They work with some very, very big brands out in the US. I also run an affiliate marketing business.

Michael: Okay, so Stephen runs ConversionFactory.com, you run an affiliate business, and that is how both of you have the money that you need in order to live your lives.

Richard: Right.

Michael: Okay. Let me ask you this, Richard. How do you typically split your time on a workday, between Wish, between affiliate businesses, and between new opportunities, let's say?

Richard: That is a really interesting question because I have just been talking to a friend about this, this week. To be honest it is something I find really difficult, and I think anybody who claims otherwise is probably not being entirely truthful. And it really depends on what is happening at the time. So, for example, Christmas is a big time for Wish. Conversing my third business, when we setup Wish, I took a year off more or less. I answered emails for an hour or two a week, but I did next to nothing else. So, it really depends on where the opportunities and (Unclear 18:04.0) lie at the time.

Michael: Okay, so in the Christmas season, let's say, you might spend one hundred percent of your time on Wish, but when it is March, you might spend a majority of your time on affiliate marketing.

Richard: Yeah, so Q1 is the big time of the year. I run a big web-hosting site called WhoIsHostingThis.com, and Q1 is the big time of year just selling web hosting, so it is quite seasonal.

Michael: Okay, so that is one of your affiliate websites, WhoIsHostingThis.com.

Richard: Yeah.

Michael: And I assume that if I go there I can type in a domain name and it will tell me who is hosting it, and then you will make recommendations on hosting companies and you get paid by people that sign up with that hosting company.

Richard: Yes, that is correct.

Michael: Got you. Can I ask you what your revenue is on that business?

Richard: I will plead the fifth.

Michael: All right, fair enough. That is one of the problems with websites that recommend hosting; is that I can never figure out if it is a real user-submitted review or if it is just an affiliate website, no offense to you and all the other affiliates out there because everybody needs to make a buck and you are looking for different hosts and that is one way to find the different hosts. But when I need to find a new host, I want to find like a WordPress host that always has uptime, that I can contact via telephone or chat support or email, and I have got certain requirements and I can never quite figure out all those requirements from the affiliate websites. Do you try and tackle that differently at your website?

Richard: Yeah. So, back in 2008, we built the world's first comparison tool for web hosting. So, you can search by WordPress hosting in the US under ten dollars per month, and we have many, many thousands of real reviews from users. You can see who the users are. You can see the sites they run. You can see their photograph, because I am familiar with the same problem you just mentioned. Fake reviews and not being able to find the information you really want.

Michael: Yeah, cool.

Richard: That is what we try and solve.

Michael: I will have to go check that out. We just migrated to Linode.com. Have you heard of Linode before?

Richard: I do know them, yeah.

Michael: Yeah, so we just moved over there. I have been happy so far, so I will have to check it out. So, that is one of the affiliate websites that you run.

Do you have another example, or let me ask you this. How many affiliate websites like WhoIsHostingThis.com do you currently operate?

Richard: I should know, shouldn't I, but I do not.

Michael: How many of the affiliate websites that you operate produce 80 percent of the income that you get from affiliate marketing?

Richard: Single digits. So, I have a lot of sites and I have a lot of projects. What you typically see with affiliates is people - I know this is common amongst many entrepreneurs, but I think it is even more extreme with affiliates - get distracted by new opportunities and this and that. One of the big lessons in the last few years for me has been learning to focus on fewer things, which sounds kind of obvious now I am saying it to somebody, but I wish I had listened to that eight years ago.

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Finally, Media Options is a boutique domain brokerage firm that gets results. They've specialized in helping companies acquire and sell high value domain names since 2005, with a client list ranging from funded startups to Fortune 500 corporations. Visit MediaOptions.com to learn more.

Michael: Yeah, but one of the problems with entrepreneurs is that you never know if this idea over here is going to be much bigger than the current

process, affiliate site that you have that you have been operating that maybe is producing a couple hundred dollars a year. Hey, anybody would love a couple hundred dollars a year, but maybe this one over here could be a thousand dollars a month, let's say, versus a couple hundred dollars a month.

Richard: Yeah, you need to think in terms of opportunity cost and how many hours there are in a day and week.

Michael: Right. Right. All right, let me ask you about affiliates then. You mentioned that you are currently in New York. I appreciate you finding a space so we could conduct this interview while you are in New York. You are in New York because you are focused on affiliates today. And where are you going today or this week?

Richard: So, I was out here for Affiliate Summit. I have lots of meetings whilst I am in town. I have actually been in South America for most of the year, so I am out here catching up with a lot of the companies I work with who I have not seen face-to-face since January.

Michael: Got you. So, do you find that a lot of the companies that you sell for on your affiliate websites, like WhoIsHostingThis, go to summits like Affiliate Summit and you get to meet them in person there?

Richard: Yeah, there are certainly companies I work with. It depends on the industries you are in, but I am a big fan of meeting people face-to-face, so I try and come out here a couple times a year to go and meet up with the companies I work with.

Michael: Yeah, definitely makes sense. Now, there are actually two Affiliate Summits per year. One they host on East Coast, and then one they host in Las Vegas. Do you go to both of those events or do you only stick to the New York-based one?

Richard: I have been to both for the last three years, I think, but again, I am there mostly for individual meetings rather than the conference.

Michael: Sure. Sure, everybody goes to one location, so it is a lot easier to have those in-person meetings. I have been thinking about getting over to an Affiliate Summit and I know that the next one is in Vegas in March I believe. The week after the NamesCon domain name conference. So, I hate to go out to Vegas for NamesCon, come back home, spend the weekend with family, and then go out there again, but I may because I would like to go to one of these Affiliate Summits. And if you are there and we get to pound beers together, that is all the more reason. So, keep me posted.

Richard: Well, (Unclear 24:04.2) coming.

Michael: All right, so let's go on to Digital.com. I want to switch gears and ask you a few questions about your recent purchase of Digital.com. In July 2014, Heritage Auctions, the number three auction company I believe in the world in terms of revenue, held a domain name auction. The highest selling domain name of that auction was Digital.com, which sold for 373,500 dollars. You were the winner of that domain name auction. Were you live in the room on the day of the auction, bidding live, or were you bidding online?

Richard: I was bidding online. It was the first time I have ever bid in a video auction. It was quite an incredible experience. You get a video feed, like YouTube, and a big red button that says Bid.

Michael: That seems a bit scary, doesn't it? Like what if your Internet goes down? What if their Internet goes down? What if there is latency in the tubes that connect you and them?

Richard: I was a little nervous, but it worked absolutely flawlessly.

Michael: Wow, all right. According to the archived auction page, there were five Internet/mail/phone bidders. You were a little nervous. Was there a lot of bidding going on in that compressed couple of minutes?

Richard: So, I forget the jargon they used, but before the live auction there was a--

Michael: A silence auction beforehand, right.

Richard: And you could place. Again, I forget the term they used, but you could place backup bids to make sure that if there was a problem with latency that you had a backup bid. So, I had a bid in place in case the power went out or something, and as you said, there were a few other bidders.

Michael: Yeah. So, what was running through your mind when you were placing your backup bid for hundreds of thousands of dollars or you are watching the auction live? Were you just nervous, like did you have butterflies in your stomach? Were you about to throw up?

Richard: I was thinking how funny it was that the second most expensive thing I have ever bought is probably a laptop. Actually that is not true. Obviously I bought other domains and other websites, but this was an order of magnitude bigger than anything else I have bought. So, I was nervous, but after I placed the bid, I knew I had made the right decision. So, I was nervous beforehand and the minute I placed a bid, I thought I made the right decision. I felt calm. It is fine.

Michael: How did you know you made the right decision?

Richard: That is a great question. I took a view that this was the most incredible domain I can remember coming up for sale in the last few years, and I actually had a few messages from some very well known people in the industry since saying much the same thing. My attitude was many valuable domains describe a product or an industry, but Digital.com describes a whole era. It describes not only a dozens or maybe hundreds of different industries, but it describes the whole century we live in. It is like owning Steam.com during the Steam Age, had the Internet been around.

Michael: Yeah. So, my business partner, aka my wife, makes me have a pretty good idea of how I am going to monetize a high-value domain name before she agrees to let me buy it. Did you have a business plan, either written down or in your mind, before you bought the domain name?

Richard: Yes, I had a (Unclear 28:10.3) ten-line bullet point plan for how I plan to use it, and I also had a plan B if, for whatever reason, that does not go ahead.

Michael: Oh, okay, so you had a game plan. So, Richard, what is the game plan?

Richard: Unfortunately the game plan is closely guarded secret for now, but I will let you know in 2015.

Michael: Oh, you are killing me. So, you bought Digital.com and we cannot figure out how you are going to use it. Are you afraid that somebody is going to have a competing business idea to yours?

Richard: No, I am not one of those people who is very neurotic about that kind of thing because I think it is generally a question of execution, but there is some paperwork to sort out basically.

Michael: Okay. So, I hope that you come on the show after you launch it and you tell us about that process.

Richard: Sounds good.

Michael: Why did you buy a .COM when you previously had success with a .CO.UK and you live in the UK?

Richard: That is a good question. I have always targeted the US market for a few reasons, but one of the big ones being the population is five times the size. And if you are selling products, it is far easier to sell a niche product or service in the US than it is the UK because there are so many people here compared to the UK. But also from the point of view of the value of the domain as an asset. With .CO.UK domains you have buyers in one country. With a .COM domain you have buyers in every country in the world. So, from the point of view of the domain as an asset, I really think they are in the same league.

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Michael: Got you. So, you are trying to go larger scale, worldwide. Maybe US, but definitely worldwide with the .COM.

Richard: Right.

Michael: Do you look at the new gTLDs that are coming out and think: "I could go worldwide with a .APP or a .WEBSITE, or one of those"?

Richard: I do not.

Michael: All right.

Richard: I think it was Rick Schwartz that used this term. He described .COMs as the gold standard for the (Unclear 30:35.9) future, and I sort of take the same line that even in five or ten years time when things might be different, in 2014 .COM is, as far as I am concerned, orders of magnitude better than the next best alternative.

Michael: Yeah, okay. What do you know about the history of the domain name Digital.com?

Richard: It was the corporate site for Digital Equipment Corporation, who used to build very large mainframe computers decades ago. The business was sold to Compaq in the late '90s. HP bought Compaq, and then I think the name has actually been dormant for more or less 15 years. Something like that.

Michael: Yeah, but it probably has a lot of inbound links even though it has been dormant for 15 years.

Richard: Yeah, I mean it had obviously an HP brand on the site.

Michael: Yeah. And when you purchased it, did you give any value to the fact that Digital was an operating company, that it had inbound links? Does any of that matter to you?

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Richard: The only thing that mattered to me when I bought this domain was what we just discussed in terms of being a name that defines dozens or hundreds of billion-dollar industries. So, as a name, it covers digital advertising. It covers web agencies. It covers digital TV. It covers digital downloads. Each of those industries is beyond enormous.

Michael: Yeah. Yeah, and it is a great brand as well. You indicated on an interview that you gave on TheDomains.com, Michael Berken's website, that you would have paid more for Digital.com. Up to what purchase amount would you have been willing to pay?

Richard: Let me put it in these terms. I think the domain is worth an order of magnitude more than I paid for it.

Michael: So you think it is worth three million dollars and you paid 373 thousand dollars for it.

Richard: I certainly think the worth is closer to that.

Michael: Yeah.

Richard: The reserve was one to five million dollars when it first came up for auction.

Michael: Yeah. How much would you have paid? How much did you have in your coffers in order to be able to buy the domain name if people would have bid you up?

Richard: I will keep that between me and my accountant.

Michael: I am going to get your accountant on here. How did you determine the value of the domain name? Do you use tools like EstiBot or search volume or CPC or look at the number of industries that are involved? What is your formula, Richard, for coming up with a value of a domain name like Digital.com?

Richard: My formula is really simple. What I love is EstiBot, and I use it quite a lot. I think anybody who is spending this kind of money based on an EstiBot valuation is crazy, but I am more or less looking from the point of view of end buyers and comparable prices for the same TLD. So, I was looking for sale prices for what were .COM domains that describe billion-dollar industries. So, you look at something like, actually the only example I have to mind is Refinance.com. They sold a few years ago for 700 thousand dollars. I was looking at domains that I felt were, to be blunt, comparable, but not as good and seeing them selling for mid-six figure prices. And when I went to my lawyer to discuss the purchase, the first thing he said was you have got a great price on this domain.

Michael: Your lawyer said that.

Richard: Yeah.

Michael: I need to switch lawyers because I do not know any lawyer that would say hey, you got a great deal on this domain name. I went to my bank the other month to buy a domain name and I think it must have been five figures, low five figures, and I said, "Here is my wire instructions. Here is where I need to go." I think I was sending it to escrow. And the account rep sat down with me. The business representative sat down with me and said, "Oh, are you buying a house?" I was like: "No, I am buying a domain name." And it is just like completely unexpected for somebody to pay that much for a domain name.

You paid a magnitude more than what I paid. It is hard to imagine that your accountant and your lawyer would think that that is a good idea.

Richard: My lawyer specializes in domains and IP law, so he deals with a lot of similar transactions.

Michael: All right. Do you want to give him a shout-out? Say his name online.

Richard: Yeah, the firm is called Hansel Henson. They are based in London and they have been magnificent to work with.

Michael: Hansel Henson, all right. So, the current EstiBot value with your purchase on 373,500 dollars factored in is 790 thousand dollars. If I came to you with an all-cash offer today, Richard, 790 thousand dollars, would you sell it?

Richard: I actually got a phone call a couple weeks after the auction closed with a comparable question and I said no, so I think that is the answer.

Michael: Wow, bird in the hand. Doubling your money. More than doubling it. You would not take it.

Richard: I look at this as maybe the biggest opportunity I will have the foreseeable future and I do not want to make a rash decision.

Michael: Yeah, fair enough. Hey, I look at a lot of auction prices and their reserve are way too high, and personally I think I am just going to let the domain name fester. It is not going to sell at auction. The seller is going to give a black eye to the domain name. It will not hit the reserve and maybe that will help set a more realistic purchase price when I later contact that domain name owner, months later, to negotiate a price. Why did you decide to buy Digital.com in auction versus letting it likely not sell and then going to negotiate with the seller directly at a later point?

Richard: Well, I have done the same thing that you have just described on plenty of occasions because quite often the prices are out of whack with what I think something is truly worth. In this instance, the seller was Hewlett Packard and buying at auction is very easy to close a legally binding sale like that versus spending months and months and enormous sums of money on lawyers, trying to negotiate a deal directly. So, perhaps that would have been possible. Actually thinking back to it, the reserve was 200 thousand dollars and I believe the second bidder bid around 300 thousand, so it would have sold at auction regardless.

Michael: Got it. So, it was going to sell. If you wanted to get it, that was going to be your opportunity, plus you have got to know the seller and dealing with corporate entities. I worked in Corporate America for over a

decade. I know what it is like at GE and Citi Group, and they are hard to negotiate with.

Richard: Right.

Michael: And people could change roles tomorrow and suddenly you have got to start over at ground zero, step one.

Richard: So, buying at auction meant few headaches.

Michael: Yeah. Did you find that the auction fees charged by Heritage Auctions were excessive, nominal, or other?

Richard: I actually signed a confidentiality agreement, and so I cannot discuss fees.

Michael: You cannot discuss fees. Well, I can because I believe that they charged you 15 percent. I think the way Heritage works is they charge the buyer and the seller 15 percent, so they are double-ending it. It seems high to me.

Richard: You are entitled to your opinions.

Michael: All right, fair enough. I believe Heritage Auction also had a requirement to deposit some amount of money as a bidder to be a part of the auction. Do you know if that is okay to talk about?

Richard: I actually did not know about that until you mentioned it. I did not deposit anything.

Michael: Oh, really?

Richard: Maybe that is because I got in touch before the auction and said I wanted to bid on this domain. I do not know.

Michael: Got you.

Richard: At this kind of level, if you cannot get five hundred dollars together to bid, you have got bigger problems. I imagine it would put people off for sort of maybe lower end, sort of lower price domains.

Michael: All right, that makes sense. Well, congratulations on the purchase, Richard. I cannot wait to see what you develop on Digital.com, which way it goes, and what the business model. I hope that when it does launch, as soon as it launches and is public, that you come on here and we talk about the process of developing that website and that service offering or product offering, whatever it is and that you come back on Domain Sherpa to do that for the third time. That would make you a threepart, Richard. Thanks for coming on here, sharing your knowledge about Wish.co.uk again, on affiliate marketing, and on your recent purchase and what was going on through your mind at that point.

If you have any questions for Richard, please post them in the comments below this video on Domain Sherpa and I will ask Richard to come back and answer as many as he can. I also encourage you to take a moment to post a quick thank you. If you do not have any questions, just go in the comments and say, "Richard, thanks for taking the time to come on Domain Sherpa." I know I like to see it when people appreciate things that I have done and I know that interviewees like to see the same thing. I am going to be the first to say thank you right now.

Richard Kershaw, Co-Founder of Wish.co.uk and owner of great things to come at Digital.com. Thanks for coming on the Domain Sherpa Show, updating us and educating us on your entrepreneurial and investment activities, and thanks for being a repeat Domain Sherpa for others.

Richard: Thank you for having me.

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

**Watch the full video at:**

<http://www.domainsherpa.com/richard-kershaw-digital-interview/>