Above.com's New Domain Investor Platform (Parking, Registrar and Marketplace) - With Victor Pitts

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http://www.domainsherpa.com/victor-pitts-abovecom-interview/

For anyone that owns hundreds or thousand of domain names, making money from them becomes tremendously difficult. We have all heard of the revenue decline of parking domain names, but today's guest might have a solution for you. Stick with us to learn about it and if it could your parking pennies into dollars.

Three messages before today's interview educates and motivates you.

First, 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 NewMediaIP.com.

Second, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Finally, whenever I'm thinking of buying or selling a domain name, the first place I go is Estibot.com. Their service provides quick and comprehensive information about the valuation and the critical factors that you need to know about -- like other extensions that are reserved, recent sales, search volume and cost-per-click rates on search engines. And if you haven't tried their lead generator service for domains you want to sell, you're missing one of the

most powerful tools around. Those are the reasons I pay for the service. Give it a try.

Here's your program.

Michael Cyger: Hey everyone. My name is Michel Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name investor or online entrepreneur directly from the experts.

Domain name parking is necessary for anyone that owns hundreds or thousands of domain names. There is no other scalable way to try and make money off that many domains. You cannot develop that many. But which domain name parking platform is best for your domain names?

Today's guest might just have the answer you have been looking for. We are joined by Victor Pitts, Director of Domain Services at Above.com. Victor, welcome to the show.

Victor Pitts: Thank you Michael. It is a pleasure to be on the show.

Michael: Victor, for anyone that has not heard about Above.com, can you describe what your company does?

Victor: Well, it is kind of a new concept called a Domain Investor Platform, where we encompass both, a parking manager and an ICANN Accredited domain registrar, and a Marketplace Platform for auctioning off selling off your inventory. So, complete lifecycle services for a domain investor.

Michael: Great. And when was Above.com first launched?

Victor: Oh, goodness. I believe it was launched about 2006; and Above was, originally, a domain registrar used for the purposes of two domain investors - the Warmuz brothers, both Dave and Ren Warmuz. But they also created a parking platform, and that was the pre- before Victor product that they had. Even though they were working on the marketplace system in advance of me ahead not yet been launched.

Michael: Right. I think I became first aware of Above.com at a Domain Fest Conference probably two or three years ago. And I was only aware that you had a parking platform, so today we are going to be learning about your parking platform, your registrar service, and the marketplace, and how they all fit together. But before we get into any of that, Victor, I would like to give people an idea of what problem can be solved if they were to spend time watching the interview. Do you have a specific example of someone, without mentioning any names, who joined your service, got on your platform, and began monetizing their domain names? Like how many domain names did they have? What kinds of domain names were they, maybe by TLD or by industry? Maybe they were online marketing. And how much did they make before and after coming to your service?

Victor: Well, there is really two examples; and one of the examples is our own company. As I mentioned, the Warmuz brothers themselves were investors in domain names. And the creation of the parking platform was, in a sense, a reaction to what was happening in the industry. There are differences in the performance of parking companies and there are a lot of reasons for those differences; and that difference can be from day-to-day. And in order to maximize your earnings in an environment where pay-per-click rates are dropping, as we all know from the last few years, moving your domains around and trying to find the one that was paying the most at any given period of time was a lot of labor that was involved with doing that; with changing the DNS and pointing to a new parking company's name server. So, the creation of the Above Parking Manager was essentially to address that particular problem. It was for the purpose of the company's own internal inventory, which was pretty sizable. It takes a lot of time to move your names from one parking company's DNS to another one, especially if the names are not all registered at the same registrar. Now you have to login to multiple registrars, change the DNS, move them to a particular parking service, and then wait for the results to come in; and then, to measure those results and do the whole process all over again, and wait for the results to come in. It is a laborious process.

Michael: And, on top of that, from what I understand it is even more difficult because some of your domain portfolio may perform better at one platform,

whereas they will underperform at the same platform, and you want those at a separate monetization system.

Victor: Yeah, absolutely. As we have mentioned, if you look, there is what? Twenty or thirty different parking platforms in the industry, and they all have, essentially, the same Google feed. Now, there are different ways that they address that; with the parking landing pages, they have different types of landing pages. Some of those landing pages are better suited for certain types of keyword categories than other ones are, and so they have the different landing pages as one of the variables. And the other thing is the keyword association back to the Google advertiser. There are some differences in that. An example, if I can digress just a little bit, a name such as CD.com, which was a name back in the day when I was Moniker, that we were looking at very closely and hoping to sell; and that name was on a monetization platform. And, with the name CD - the two letters -, it was thought of as certificate of deposit, and so you had a lot of financial advertisers that had been connected to that. So, the parking company served up a landing page with advertisers in the financial area. Well, they were not really happy with how that name monetized with those financial landing pages. The cost per click was quite high, but the numbers of clicks were not very high, even though the traffic was high. By switching the landing page to one that was serving up a musical type of thing, like CD players, and music, and downloads, the cost per click was substantially less, but the revenues went up. So, just by changing the parking page or the landing page to the advertisers, that is one of the ways it can be quite different. How fast a parking company will transition from one keyword and try out another to see how it will perform varies. Some do it in a manual sort of way; some of them use computer software that is supposed to do that for them - most of the optimization. So, there is a lot of differences. And the difference in performance can be substantial. It can be twenty to thirty percent; sometimes even more so than that. So, it is good to know where your inventory is going to fit best. And moving it around though, as I mentioned, is laborious and thus the Above Parking Platform was created to solve that issue. And what we have found from our inventory as well as some very large clientele that had put their names on our platform, the additional benefit that they got was if they had all of their inventory on a particular parking company and that particular parking company were to incur denial of service tact, then of

course they are out. If they have it spread amongst many different parking companies or on a platform where they can move it quickly, then they have some speed advantage of recovering and minimizing any loss of revenue. Getting the consolidated figures back, one of the problems that you encounter when you are moving these things manually and having to get the results back from the parking company is copying and pasting the results that you can put them all together in a spreadsheet and total up the numbers to see what your real results were for a particular domain name or particular portfolio. With the Above Platform, it does consolidate it for the client so they get to see their total performance across the industry.

Michael: Yeah. Okay, I want to get into all those specifics about how you do that and how you look at apples and apples; not apples and oranges because the whole industry is different. Everybody measures things differently. But before we get there, the specific example is that you are saying that Dave and Ren - the brothers that founded Above.com - had their own need, their own itch to scratch, and so they came up with this idea that they were going to create this platform that moved the traffic around and optimized it based on the domain name, based on the words, and based on whoever was paying the highest revenue for that domain name. But for a regular person that brings their domain names to you, will they always see an increase in revenue? Will they typically see an increase in revenue? What are your general feelings for the optimization using Above.com?

Victor: Well, as you corrected yourself here, the traffic would be the same.

Michael: The traffic is the traffic.

Victor: Any different there, it is whatever the direct navigation traffic is. But in terms of what their expectations would be for the revenue, it honestly depends because they could magically be on the right place - the best place for them - and it might be the optimal place for their names to take (Unclear 10:36.3). But that is quite unlikely because, again, there are a lot of variables. It is how quickly they respond to advertisers that come and go into the market. That is one of the dynamics. You really do not know unless you are moving your names around and testing the other websites. So, for those that test though, they often find that their parking company that they were on was

the best for certain inventory and was far from best for the other ones; and that is something they would not have known without actually testing it. And it is pretty common to see a twenty to thirty percent differences if you have a big enough portfolio and you try enough companies. As you will find, you will have inventory maybe that will start monetizing better with a particular parking company because of their strength in a foreign market, such as the Asian market or the European market.

Michael: Yeah, okay, that makes sense. So, looking at your history, Victor, this is not your first rodeo in the domain name industry. First of all, you host Domain Master's Radio Show on WebmasterRadio.fm. So, if anybody was not aware that that existed as a podcast, you can go to WebmasterRadio.fm, look at Domain Masters, and listen to Victor's podcast interviews. But you have also worked for Moniker, iGoldrush, and ICM Registry. What have you learned across those businesses that you bring with you to Above.com?

Victor: Well, I think I started at Moniker back in 2004. I have been investing in domains for a long time, but I did not really call it that. I used to run a Web Development Company before Moniker, and would register domain names for my clients. And they wanted me to manage domain names and at times they defaulted on the payments and so forth, so I ended up acquiring names from my clients as a result of that. But I did not really think of it in terms of investment. It was more holding on to it for the next client that would come along.

Michael: Right.

Victor: In joining with the Moniker team, I was introduced to a whole different world. People that would register hundred, thousand, tens of thousands, hundreds of thousands, or even one million domain names. I was like: "What the heck is going on here?" So, I was brought on in a sales capacity initially at Moniker, and caught the wave at a really good time because the company was very, very focused on their client base, much like we are now with Above; and that being the domain investor. And so, Moniker really kind of optimized itself at that time for the domain investor, and I was a part of that small, small team, as we started out in growing with Monte and Eric. So, within time and with getting to know the industry - what

their needs were and how domain names were being utilized -, you see a lot of things and you learn from it. Introduced into domain parking and the way that people were monetizing their names. Attending multiple trade shows. At Moniker, we used to attend. The peak year was forty trade shows we did in one year.

Michael: Wow.

Victor: Yeah, it was almost one a week. It was a lot, but it was beyond just the domain investor shows. It was into SEO, and affiliate types of programs, the adult community, and the gaming community. All these are users of volumes of domain names. And you see just how names are being used beyond the conventional thinking of building out a brand and building out a website. And those are great uses of the name, and I still believe in that totally, but these other uses of routing traffic and creating affiliate sites on the names is brilliant and makes a lot of sense. It is virtual real estate. And so, being a part of that Moniker process and growing with the company, getting involved with parking services - we had a service back in the day called Traffic Club, which did kind of some of the same things as what our parking platform did. Nowhere near as evolved - and, certainly, being involved with the aftermarket business, I was able to see where the holes were in the industry and where needs needed to be met. And it was also during that same time period that I got to know the Warmuz brothers - Ren and Dave. Ren and Dave were clients of ours. We actually met them at trade shows. They were under the banner, which is still the banner of the parent company - Trellian.com. Met them at the show and discussed the domain names with them, and next thing you know they were a client of ours. And worked with them for many, many years, and watched their portfolio grow significantly to the point where it even stressed out the Moniker system that, at the time, was the best system for volume domains, in my opinion. But these guys outgrew that system and ultimately created their own registrar for their own purposes. And again, how many other companies in this business were created much the same way, where people or entrepreneurs would start developing things for their own personal use because they know what the needs are, and create them to optimize and to resolve those problems that they have and the difficulties that they had? And that was the vision that was behind the parking services with these guys as well as the registrar and the functionality it had,

or that they required, in there. They did not want all the up selling and cross selling that you find so common in a lot of registrar interfaces. They wanted to be lean and mean, and fast and big; able to handle volume. And so, anyway, introduced to those guys back in the days and who would have known that it would have turned out like this? And now working for them and very happy to be so.

Michael: Yeah. So you mentioned that you were doing web hosting and maybe some development, and you have acquired a lot of domain names over the years. How many domain names do you own in your portfolio?

Victor: Right now I am actually under one hundred. At one point, I had much more than that, but when I went to work for Moniker, I ended up selling those other names - many of them - over the years. And so, what I have now is more recent acquiring than anything else. But when I was at Moniker, I actually felt a conflict of interest. Maybe misguided, but that was the way that I felt at the time because we were helping people to acquire inventory and you had visibility to what the earnings were and what the traffic numbers were; and, at the time, I did not invest in domain names when I was there. And honestly, was also too busy growing the business. But I am actually investing more now, and the types of names that I invest in - I am actually not investing much in names that monetize. Most of my investments are more in future eCommerce projects.

Michael: Why is that? You have insights into the industry that many others do not. You are working at a company that optimizes pay-per-click advertising on those domain names. Why not look at the domain names that are making good revenue and look for opportunities in there?

Victor: Well, the beautiful thing about parking is that you register the name and you put it onto the parking DNS, or on the platform such as ours to go out to the different DNS, and you kind of walk away from it. That is end of it. When you do eCommerce or you develop out a website, there is a lot more work and there is a more limited number of those that you can practically do and do well. I do have ten years of development business beforehand, and so I am going to lean a little bit on that in the future for developing out some properties to turn them into, hopefully, not the next Amazon. That is not goal.

It is just to have some additional forms of revenue out there in particular niche areas that I had some interest in.

Michael: Got it. So, as Director of Domain Services for Above.com, what are your main responsibilities?

Victor: Well, it is really to direct the focus of the company into those areas where we can provide value to the marketplace, and do so in a strong sort of way. So, with that, I provide direction the Development Team to how we market ourselves, and what type of customer service organization that we need to build to support it, and where our pricing needs to be at. So, it is a great opportunity. And what I really love about the company is that these guys are absolutely brilliant and they all know their own source code. So, they develop; everything is self-developed. So that gives you a lot of flexibility; and that is one of the other things in today's world. There are a lot of dependencies on other companies that have a risk and handicap you in some cases. And with the industry changing so much, I like having more control of our own resources. It does give us a little bit of comfort in knowing that, if we need to do something, we can do so and it is up to us how fast we get it done.

Michael: Yeah. Do you have an example of a time where something changed in the industry and Above.com was fast to change and satisfy a customer need?

Victor: I guess the kind of example that I was thinking of when I was saying that is more towards the registrar platform. There are ones that utilize services such as - and I will mention some names, and they are good services - Key Systems and Logic Box. Those are great platforms for starting out a registrar (Unclear 20:55.7). The fact that we own our own means that, if we want to add a new TLD or some special functionality, we have the flexibility to do that. Of course, we have to do the labor ourselves. That is one of the benefits of working with a Logic Box or Key Systems, but their platform takes a little bit more time because there are more clients, I guess, that are involved in using it, and so it has got to go through a different process just to even on the development block, let alone development. And so, when we want to do something, we can do so quickly.

Michael: Yeah, that makes sense. And with hundreds or thousands of new GTLDs being launched in the upcoming years, being able to move quickly and get all of those available, or the ones where customers have a need or a desire to get onto as quickly as possible, might be of tremendous value.

Victor: Yeah, I think so. I think so. I mean you need to be flexible in this market because things just change so rapidly.

Michael: Yeah. All right. So we talked about the problem that Above.com solves. The Warmuz brothers had a bunch of domain names. They did not want to have to move them around, changing the DNS, going to those parking systems, updating all of the hundreds, thousands, and millions of domain names that might be in their portfolio to try and move them, and then verified that they were moved, and then look at the results. I would go find another business, to be honest. It is a lot of work. So, they solved that problem. They developed their own parking platform, but since then, Above.com has gone through a transformation. It is no longer just a parking service. What does the entire platform contain today?

Victor: Well, the entire platform now contains three basic elements that domain investors need. One is the Parking Manager, the other one is the Registrar, and the third one is the Marketplace for auctioning off your domain names. And so, for the domain investor who does utilize a domain parking and monetization of domain names - and most of them have a lot of domain names; that is the way that they monetize them, again, because it is just scalable. And so, the platform is fit together now and allows that client to have their account with any of the industry-leading pay-per-click companies. I mentioned there are twenty or thirty of them that are in that business. So, they can have their accounts with each and every one of them. They get paid by them. They get their landing pages optimized by them. But now, if they put their names in our parking manager, they will have a consolidated view of how the inventory is working across those different parking companies. And I do want to mention that they can do that without having to use our name servers. They can get a consolidated view of all their stats free just by coming and putting in their account information; and that is a free service that

we provide - giving that consolidated view. And that, again, saves you on that copying and pasting of different spreadsheets.

Michael: Yeah, definitely. Okay.

Victor: You never lose that. You still have that.

Michael: Right. Yeah. So, let me break it down. So we have got the parking service, we have got the registrar, and we have got a marketplace. So, let's just talk about the parking right now. So, I understand that if I have domains parked at, say, GoDaddy and domains parked at - I don't know - Sedo, I can create an account with your system and provide my login details to those two separate parking systems and getting a consolidated view of all my domain names, and the inventory, the revenue per thousand, the total revenue per month, and all the other statistics; and it is not just a consolidated view. You actually go beyond it because they may look at the statistics differently from what I understand.

Victor: Yes, absolutely.

Michael: So, how do you handle the difference in statistics that each of those services may be providing?

Victor: As we build our interface for each of the different parking companies, we ultimately resolve what their stats mean and how it correlates to the standards of stats that we are providing inside of our platform. The owner of the domain names - the owner of the account - still has the different parking companies they can log into and see their version of the stats, but what this gives them is a standardized format that they can look at their performance across the board and consolidates.

Michael: Yeah, that makes sense. And so, it may show that I am making twenty dollars per thousand visitors, let's say, if I sign into one of the systems, but in actuality it may not be twenty dollars per thousand. It may be eighteen or it may be twenty-five. And unless I am comparing apples to apples across the different parking platforms, I will not know.

Victor: Exactly.

Michael: So, by using your system, I get access to your expertise and to your collective understanding of how the parking system work, and their metrics, and their definitions of terms, and you normalize it all for me.

Victor: Exactly.

Michael: And that is a free service. I can do that.

Victor: That is a free service. It does not require a DNS change or anything. It is to create an account at Above and provide us with those credentials so that we can pull those stats for you and standardize them. But again, there is no name change and there is no money or anything that is owed for that service.

Michael: Yeah. Now, I am one of those guys that is always hesitant about providing credentials. Here is my username and password. Do I actually provide username and password to you, or is there some sort of authorization system? Like I give Twitter access through my WordPress site, but I do not actually give the password.

Victor: You actually do. You actually have to because that is the only way that you will be able to take and get the necessary credentials to pull the report from your parking company. You see everything that is done in terms of the log, transaction history, reports, and so forth. But you do actually have to provide that. I want to say though that, on our client support interface, the password information is encrypted in the same way that we would do it with credit cards. Same technology we do it with credit cards. So, the system knows it, but we do not know it. We do not see it. It is encrypted out. Our employees cannot log directly into your parking company account. They can see the consolidated reports like you can. So, that, again, is a free service, and is a good point regard parking credentials because we do actually get that sometimes from people. But the benefits are pretty substantial, I think, in giving that consolidated view, especially when you start. Each parking company that you add adds a degree of difficulty because, again, their stats are a little bit different in the way that they are laid out and it is hard to

become an expert and really match them up apples with apples when you are trying to do that on a manual sort of basis.

Michael: Yeah. Okay. So, that makes sense. So, that is sort of level one. I can give you my credentials; you will gather my data and you will provide me a consolidated view of all my parked domain names across all of the various areas. And that could be useful for me just to take a look at my domain names and see them all in one place. But from what I understand you also have a second level, where, if I actually point my domain name DNS to your service - Above.com -, you not only consolidate, but then you optimize.

Victor: That is correct. And a requirement to optimize is you now you need to be one our name servers. So, you change your DNS to the Above DNS and authorize the optimize, and what that will do is, for the parking companies that you want associated with your names, we will rotate the traffic to each and every one of them that you authorize and then, when we get back the results, we update the amount of traffic. We change the amount of traffic to gradually shift over - move - more and more to the one that is making you the most money.

Michael: On a per domain basis.

Victor: On a per domain basis, yes.

Michael: Okay. And how long does it take to run through that optimization process?

Victor: It takes a few days to take and really be able to do it. It depends upon the traffic. If you have a lot of traffic, it can be done within one day.

Michael: Let's throw out some numbers. What if I get one visitor per day, ten visitors per day, or one hundred visitors per day? In those three scenarios on a domain name, where one visitor per day might be a lot for a lot of people with a large portfolio.

Victor: Okay. So, if you have one visitor per day and you have two different parking companies, then it is going to take two days in order to get back the

results in order to determine which one of those is paying you the best on. So, that is not really a lot of data to make that kind of decision on. So, I think the system needs to have one hundred visitors, which is the minimum amount in order to take and start making some decisions. So, it needs to have at least one hundred visitors, however long it takes you to get those one hundred visitors.

Michael: So, is that one hundred visitors across all the platforms that you are testing or is it one hundred visitors per platform?

Victor: The baseline is one hundred visitors in order to make that kind of decision. You have to hit that. That is the tripping number - one hundred visitors.

Michael: Okay.

Victor: If you have it spread across twenty different parking companies, obviously you are only getting back, say, five per and it is not a lot of data, but most people - the number of parking companies you usually see will be more in the three to six kind of range. They will be doing it; testing their names.

Michael: Okay. So, if I have a domain name where I am getting one hundred visitors per day, let's say, I can put it on your system and, within one week, I should know the revenue that it should produce on a regular basis, and then I can compare it to what I was making before.

Victor: Well, you will be able to see for that particular period of time how it performed. I would be cautious about making judgments as that is what is going to continue to do because, as we know, some domain's traffic is not steady; that is (Unclear 31:52.7) or depends upon certain times of the year. If you have like Valentine-types of names that go up, and then they go back down. So, you just kind of have to look at the name itself to make that kind of determination if that is enough. And that is one of the things that we will advise clients on for better managing their inventory and making smart investment decisions about it; is to categorize your names and put them into different groups. So, if you have names of like kind of things that are, say,

holiday or (Unclear 32:29.4) and so forth, you put them in one folder and maybe only monetize them with certain companies that, in the past, maybe have done better for you. But you categorizing your names and putting them in different folders, and you can set up different goals for which parking companies that will rotate through. So, you may have accounts at twenty different companies, but you may not want to use all twenty of them in your rotation because, over time, you see a particular company does not perform in this area well at all. And so, take them out of the rotating, but they may do very well in another area. So, it just depends upon your inventory. A lot of people's inventories are all over the place. It is just whatever has got traffic as opposed to being of a particular focus area. Finance or insurance. They have just a mixed bag. This helps you to organize it over time because then you can start grouping them and you make better decisions in addition to the decisions that the system will make for you automatically. You also will learn to take and make better decisions with your inventory and where their real strengths are too.

Michael: Right. And if I want to test all thirty domain parking systems that are available, do I need to go sign up for an account on every single one of those systems in order to have you optimize against those systems?

Victor: That is correct. You do because, again, each and every one of those parking companies has got to create the landing pages for your name. They need to know how to pay you because our system, unlike some other systems that have some rotation component in it, is totally transparent. You own the account relationship with the parking company. You get paid by them on their terms. You do not get a check from Above. What we provide you is that optimization of who is performing the best and the consolidated view of what is there. So, you do have to have an account with each one.

Michael: Yeah. Okay. So, let's say somebody wants to try that, but they do not want to go sign up for thirty domain parking accounts. What five would you recommend that a regular domain investor go sign up for if they want to try your optimization services?

Victor: Boy, you put me in a tough spot there.

Michael: Is that difficult because then you are like recommending one service over another?

Victor: I do not want to recommend one service over the other one.

Michael: Okay. Let's say that you are not recommending any services at all and if somebody is interested in working with you, they can email you and talk you or somebody in customer service, understand their domain names, and they would make a recommendation as to: "These financial domain names might be best served by these five or ten." But let's just say you threw out five parking companies because I want to run through a typical scenario. What five randomly would you throw out?

Victor: Well, I mean everybody has got a Sedo account. Domain Sponsor has been around for a long time. So, I would look at those two companies in any conversation because of their longevity and their strength not only domestically, but internationally as well.

Michael: Sure.

Victor: If I feel that my inventory is going to monetize more on something that had imagery, there is a solution - a couple parking companies that have images.

Michael: What is one of those?

Victor: Domain Advertising is one of them.

Michael: Yeah. So, if you have like BlueDress.com, it is sometimes more appropriate to show images.

Victor: It makes it look like a website.

Michael: Exactly.

Victor: That might do better for that particular type of inventory. If I had a lot of Asian traffic, I think Bodis is pretty good there.

Michael: What about InternetTraffic.com? Do you work with InternetTraffic.com - Frank Schilling's Monetization Platform?

Victor: Not at the time.

Michael: Okay.

Victor: We are working on that now. You can pull stats from Frank's system and you can pull consolidated stats.

Michael: Oh, you can? So, I can enter in my login information for InternetTraffic.com and you will consolidate my parking stats.

Victor: That is correct.

Michael: Okay.

Victor: So, that will be done.

Michael: Okay. So, let's say that I have some domain names that I wanted to monetize. I will go sign up for a Sedo, a Domain Sponsor, and a Domain Advertising account. For each of those, I need to sign up for an account and I probably need to enter in the entire domain name list. I am not sure. Do they actually require me to change my DNS to their service in order to setup the system?

Victor: No. No, they do not. So, with each and every one, I mean this is good information. For each and every parking company that you work with, you should provide them a list of your domain names. And so, that is one of the other benefits of the Parking Manager on our system. It is not really a parking service. It is a parking manager. Managing different parking companies. You create the folders, have your names in the folders; very easy. Just hit a button and it pops up with a copy and paste thing, and you go to your parking company and drop the same list in there. The reason is, if you do not do that, then that parking company may have some history with that name from whoever owned it before you did. And just because Above knows and we are

sending them traffic, if they do not know that that name is yours, but Joe Domainer had that name before and let it expire and now you have it, their records still have that name associated with Joe Domainer. The traffic credit goes to Joe Domainer. If there are no other clients that have that name in their system, then the credit goes to the parking company until someone comes and says: "Hey, wait, where is my traffic?" So, it is good management of your parking portfolio to keep and maintain a list of what you truly own - not what you have dropped; not what you have sold - and give that same list to each and every one. If you are in doubt of what list you gave them, go to your parking manager and pull it out, and drop it onto the other one so that you do not lost the credit.

Michael: Okay, that makes sense. So I go to the five different parking companies. I sign up for an account. I put in a list of all my domains there. Then I come back to your service. I sign up for an account for a consolidation using your parking manager and I then can organize my domains into folders, and then I can tell your system optimize away, and you will go forward and figure out how to make me the most amount of money with my domains.

Victor: That is correct.

Michael: Now, if you are providing this consolidation service, whether you are managing the DNS or you are not managing the DNS, how does Above.com make money? I cannot figure out why you are being so generous.

Victor: Well, the way that we make money off from the parking system is, if the client will authorize it, we have an additional service called Maximizer. It does not cost them anything to use Maximizer. And Maximizer is what they call zero-click traffic. We have another network from the other business - the Trellian business - that has been around for twelve years now I believe it is. That business has a service called Direct Search, where people that want to bypass the Google Advertising Network and they want to buy traffic directly can go to the Direct Search Tool and bid on traffic. And this traffic is coming from the domain names that are parked in the Above Parking Manager. Any client that authorizes it and allows their name to be put onto the bidding network for the Direct Search product, the only time it will kick in is if we have a bidder. We know what the maximum earnings are on the pay-per-click

service because of the parking data for your particular key term. We know what the maximum earnings are, and so that becomes the seed amount for the bidding system that people would bid on the traffic. And they have to bid at least twenty percent higher. The owner of the name has to earn at least twenty percent higher than their maximum pay-per-click service in order for this Maximizer to even kick in. And then it just start routing the traffic off to this client until that sum of traffic that they paid for is approved. And that bidding system looks a lot like if you ever used the old Yahoo Pay-Per-Click System. It was formerly known as Go2.com.

Michael: Right.

Victor: And that service. So, it has a lot of the same - and Google's system also - for bidding. It looks very much like it. They choose their keywords and those keywords are associated back to the domain names. We see which keywords are the maximum earners in the pay-per-click and what the top dollar was, and we have to be twenty percent above that in order to have an accepted bid on the other side. So, what it does is it gives our clients that use that service, if there is no one bidding more than twenty percent, then you are still optimized to whatever the top earning parking company is. But if there is someone bidding on the traffic, then your earnings are going to go up even more and you are not dependent upon Google.

Michael: Right. And how does Above.com earn a commission on that traffic?

Victor: Well, the way that we earn that is because we are selling that traffic off on the other end and we charge an amount. We have our profit built into the amount on the other side too. So, that is where we make the money; is on the people that are buying the traffic.

Michael: Got it.

Victor: Not from the ones that are providing.

Michael: Right. So, as a domain name owner, I get my base cost per thousand plus twenty percent, and then you have another adder that the advertiser pays for.

Victor: Right. And so, essentially what that is, is we have everything from brand - and I cannot mention the brands because they do not want me to, but we have brands that come and buy traffic all around their keywords and their product or service area focus. We have SEO companies that buy the traffic because they are looking for some traffic that they can throw onto a project while their campaign kicks in, or there is an algorithm change at Google and suddenly their performance dips and they want to be able to throw some traffic at it. So, there are a lot of applications from that.

Michael: Definitely.

Victor: It is a great way to bypass the whole Google infrastructure.

Michael: Yeah. And so, that is taking advantage. If I, at DomainSherpa, wanted to bump up my traffic, I may go onto your platform and buy anything related to domain names. So, if somebody owns the domain name, say, DomainCows.com and they used your Maximizer service, then somebody who types in DomainCows.com would automatically be redirected through your system to DomainSherpa.com.

Victor: That is correct.

Michael: Okay. And can I go sign up through Trellian.com for this type of service and buy additional traffic?

Victor: Yes. Actually, go to DirectSearch.com and you too can be a bidder on the system.

Michael: Awesome. Is there a minimum amount that I have to buy, as an advertiser, per month?

Victor: Not really sure about that one. I have to consult the experts and see what the minimum is.

Michael: All right. Well, very cool service.

Victor: I think you set a budget. That is what it is. You put in a budget of how much you are going to spend, and that budget then is depleted down with the traffic. So, I believe that is the way it is. You put a budget of how much you are going to spend and put that money on deposit. That is the way the Go2 System works, and that is the way this one works as well, I believe.

Michael: Excellent. Okay. So, that is Domain Parking and your Management System that you can get a consolidation, you can also optimize, and then you have this Maximizer Service. So I understand that. Why have a registrar service at all? That is the second point of your platform. There are so many registrars out there already. Is it useful to your customers to have a registrar service and, if so, in what way?

Victor: Well, again, the registrar was born out of necessity of the Warmuz brothers because they needed a place to manage their own portfolio. And so, that was the creation of it. And then, over time, many large domainers also took interest in being on the platform because of some of the same reasons that the Warmuz brothers moved onto it. And through relationship, there was no marketing and no pushing. They came to them and moved over to the platform. And guys realized that they had something that was of value to the marketplace because there are a lot of people with portfolios out there; and portfolio investment we do not believe is going to go away. So, they decided: "We need to tweak the registrar. We need to modify it because it is more internally focused and we need to make it more of a consumer/commercial-based thing with more helpful, more descriptive, prettier, and those kinds of things. We understand all that stuff needs to be done." But functionality-wise, it is just a very, very powerful little registrar.

Michael: Is it less expensive than some of the other major registrars out there, or is it competitive?

Victor: No. For the most part, everybody has the same cost points with the registries. Again, the advantage of ours is it is totally owned. All the technology, all the source code, and everything is developed and is our own. And so, we can do with it what we want. So, we had the registrar. We had the parking service. They both were using the Above.com name, and the guys decided: "Let's have the two of them start working together." And I am a data

guy. I like to see data and make decisions based upon data. And I know that there are a lot of other people that like to do that too. I think it is smart business. So the vision with the registrar is to connect the two of them together. So, those clients that have names on the registrar service are able to see their performance when it is time for renewal of those domain names because every domain name has got a certain time, then it comes up for renewal, and now you need to make a decision. Is this a name that is performing to its registration fees? Is it covering its cost? Am I making a profit on it or am I losing money? This solution then allows you to take and see, very accurately, no copy and pasting, no guessing, what your earnings were in a column right beside the renewal button. So, you can look at your names by a case-by-case basis. This is keeper, keeper, keeper, keeper, keeper, let this one go, and move it on. So, that is the advantage; is that data flow coming over, showing you your performance history at the time when a decision needs to be made as an investor, is this a keeper, or is this one I am going to hold on to, or maybe this is one that I want to sell.

Michael: Yeah, all right, that makes sense. So, you have a registrar service, you have your parking manager service, and you also now have a marketplace.

Victor: Exactly.

Michael: And this is relatively new.

Victor: This is really new. Now, it has been in development for a while. Domain investors do not just buy names through new registrations - hand registrations. They buy names off the aftermarket. They buy names through marketplaces, auction systems, drop services, and a lot of different ways they do that. And the type of investors that would be excited about our platform are those that are monetizing their domain names on parking services; and they are very, very interested in the traffic and revenue performance of the domain name. So, the ideal behind the marketplace system was to be a marketplace that does not have any specific functionality or anything different from anybody else's. You pay names in for sale. You have an auction timeframe that it will run. You can bid, and the bid increments go up until it hits reserve, and then it finally slows down; when there is no more

bidding, whoever the high one is wins. Or you can do a buy it now and click and buy it now. So, there are twenty or thirty different parking companies. There is a lot more than those marketplace systems.

Michael: Sure.

Victor: There is a lot of them, okay? So, why make on in a crowded environment, especially with some very big players out there? And the reason is, is because there is something that they are all missing, and that is that parking performance data. Guys that buy this kind of inventory are looking for names with traffic and/or names with revenue. And one of the things that happens when someone's name is for sale is they put up: "It get ten thousand visitor per month," and "It does one hundred thousand visitors per month," and then the buyer says: "That is great. I want a sample of the traffic for one month." And that is disruptive. If it is earning money, then that is disruptive because they are going to be routing the traffic over and sampling it themselves. And they may not buy it, so it just disrupted your flow. The other thing is they may say: "I want to see your reports from your different parking companies," especially now if you are moving around to take advantage of this market, where you really have to check where there is opportunity and where is the best performance. And the differences can be small, but you have to stay on top of it. It is not like the old days, where it was really big differences between there. So you have to stay on top; that is where the automation comes through. But when it comes then to prove that the inventory is actually performing, they need to see all these reports coming back, and then there is this element: "Do I really trust it?"

Michael: Sure, exactly. Flippa, as a website marketplace for websites, is now verifying Google Analytics and verifying Google Adwords income. So, now they are inserting themselves in between and saying: "We are a provider and you can trust us, and we will verify for the parties." So, you are doing the same thing here. You have got this platform where you are measuring and consolidating information across these domains - how much do they earn on a per frequency type of basis -, and now I can sell my domain name. I can say, using your system, it makes one thousand dollars a year, and I am asking a four to five times multiple of that. And somebody can buy it and say: "Hey, I think that is a good deal. I will buy that revenue producing domain name."

Victor: Absolutely. And the stats. If they click so they can see the stats, they actually see the verified by Above across all the different parking companies what the actual performance was for that domain name.

Michael: Excellent: I do not think there is another platform that does that and offers that kind of verified statistics.

Victor: Yes. If someone were to ask us who our competitors are, I know that it is no one and it is everyone because, in every area, in the marketplace and the parking services, and I mean in a way registrars. There are a lot of different options, but there is no one that does quite what we do in the parking platforms with a total transparency. But then to take and actually integrate all three components together is unique.

Michael: Definitely. And so, a lot of people are looking for regular income on their domain names. They do not want to just hold on to the brandables that they have to wait ten years for and maybe they will receive a hundred time return on their investment but they make no money in the meantime. They want revenue; income producing assets. And so, your marketplace now allows them to look through and purchase the domain names that fit their portfolio and that fit their investment style, and can get a better idea of how they have earned in the past; not that it will guarantee what they earn in the future. But for any marketplace to be successful, Victor, it needs to have buyers and sellers. Clearly, you have a lot of domain names under management at Above.com. I am not sure the exact number. Can you put an entire number on how many domain names are being managed through Above.com?

Victor: It changes constantly, but I thin there is something around three million names that have gone through our platform.

Michael: So, three million names going through your platform. Let's say that some percentage of them is for sale through the marketplace because the owners are willing to sell them for a nice multiple of earnings. Clearly, you need buyers to show up; and I was not aware that you had a marketplace that

provided this opportunity. How are you getting the word out for marketing? How are you driving more buyers to this marketplace?

Victor: Well, we really have not started pressing on our marketing campaign just yet. And there is a reason for that. I came aboard in August, and it take some time to take and understand just what the different components are of the company are - how they fit together, where their strengths are, and get an updated view of the marketplace itself. So, we had that going on in addition to the development work with the marketplace that was already scheduled and was in process, and then the tweaks and the modifications influence that I am providing on top of that with additional things. So we did a soft launch in time for TRAFFIC, and that launch had some limitations. The limitation would be that in order for a name to be listed in the Above.com marketplace, it had to be at our registrar. And we wanted to minimize the risk. We wanted to kind of control the environment initially to assure that, if a buyer bought the name, we could assure that there would be a quick turn around as soon as the funds come in. If we have the name in our system, we are able to push it to the account quickly. So, that is a big plus. But we really know that in order for this marketplace to provide maximum value we have a registrar. It is great. It has a lot of benefit. Bring your name in and get your stats come renewal; click of a button and you could move the name right over to the marketplace and sell it. If someone comes and buys a name, they get the stats and they can get instant availability of the name as soon as their payment comes through. But then we had phase two; and phase two is what we are launching now as we go, which is the ability for people to list their names on the Above Marketplace that do not have their names on the Above Registrar. So, you can be with whatever your favorite registrar is out there and still list your name on the Above Platform. If you are using the Parking Manager, of course, then you have the additional benefit of having the stats rolled forward. It is independent of whether it is on the registrar platform. So, the optimal solution is to have and take advantage of all three. It just makes it easier to manage your inventory and see what is going on; make good business decisions, but we have opened it up to you could be somewhere else and still use parts of the system as well. So, with that being said, our marketing is kind of like soft pedal. Just lean it against the gas pedal, but do not really press down really hard just yet because we are still doing some development things and we would not want it to go too quickly on this. But

we also wanted to get some feedback from the marketplace. So, by attending the TRAFFIC Show down in Ft. Lauderdale this year and meeting some of the big clients within the marketplace, that has been our first initiative at marketing, and announcing this thing, and addressing questions face-to-face. And we are preparing now some updates to our functionality, and we will be promoting that pretty heavily. Later this year, but definitely the first quarter of next year there will be a lot more visibility both in terms of the industry sites, where there is the most traffic and the most visibility. Attending trade shows where we have an opportunity to meet clients firsthand, and answer their questions, and assess their inventories because a lot of this is consulting too. It is providing some direction in terms of structuring your inventory for easier management and good practices for making sure that you do not make mistakes and leave money on the table with a particular parking company. So, we are still under way with the marketing.

Michael: So, I went to Above.com this morning. I saw that you have a widget area that says the latest domain names that are in the marketplace; and I think that there were little links next to it, which said, "Bid now." So, those are all domain names that are in your system that generate revenue that the owner of that domain name is interested in potentially auctioning off and selling.

Victor: Well, if it has revenue and it has traffic, it is really up to the seller of that name whether they want to show that or not.

Michael: Okay.

Victor: And to be full disclosure, some names are underperforming and they decide to get rid of those names and sell those names. So, they may not want to show the stats because they do not feel that it is going to serve their best interest. And so, we respect that and if you do not want to show it, then you have the right to take and not show your stats, or only show parts of it. So, it is really up to the seller whether they want to show that. And there also are names that get listed that have no traffic history with this owner on our parking platform. But for those that do have it, you can sort by revenue. You can sort my traffic. A lot of ways that you can take and search that, and then you will get the details stats along with it.

Michael: All right, that makes sense. So, earlier you said you had three million domains roughly under management. How many customers do you have in addition to your own internal portfolio? How many customers do you have?

Victor: I would say total customer accounts are probably different than customer. So, total customer accounts is over one thousand.

Michael: Why would a customer have more than one account?

Victor: It is kind of a legacy thing.

Michael: Oh, okay.

Victor: As they come on, over time, they create and they forgot that they had an account. They come in with a new email address and new account credentials, and then end up creating another one. There are also clients that, with every registrar that I have been to, have opened multiple accounts for business reasons as well. They have been operating under different businesses. Business headings and things.

Michael: Sure. And you may have had some customers under your registrar and some customers under your parking, and now it is consolidated and you are trying to bring those together. I understand. So, we understand how many domains and how many customer accounts you have. How much revenue does Above.com generate per year?

Victor: Well, the company is private. They will not disclose that. But let's just say that, through the parking system with over three million names running through that to different parking services, there is visibility to a lot of revenue for the industry. In terms of what Above is doing, they are doing well enough that they could afford to have me.

Michael: All right.

Victor: Let me just say that the focus of the company right now is in terms of strategy for the markets. It is more market share. It is gaining market share

because we, as you have said, you know of us as a parking company, and there is so much more to it. So, part of our challenge is to overcome that stereotyping as a parking company and to be really seen as the total domain investor platform; and that is going to take some doing to do this. So, from a registrar perspective, we have about seven hundred and fifty thousand names under management right now through our registrar platform. And within a few months we hope to have that up to one million. So, that is a target that we do have in our targets.

Michael: Yeah, excellent. And I assume that you charge a commission for every domain that sells through your marketplace as well.

Victor: We do. The industry standard rate is ten percent, and that is what we charge as well. If you list your names, there is actually a fee for listing the names and submitting them; and that is done, in part, because, from my experience and Warmuz brother's experience also, many people submit some low quality names to services that do not have any sort of barrier of entry in terms of getting into the auction. So, we do set up a barrier of entry into getting into the auction. There is a fee for the name to come in. It is a nominal fee of $1.20, but for volume accounts and so forth for clients, we can work to reduce that number. But it is $1.20 per name to submit the name, and then, of course, a ten percent commission if it sells. However, if you want to list a name in the service - in other words, not put it up for an auction to start and stop at a certain time, but just to list it - that is free. And then, if someone actually shows interest by placing a bid on the name, then it instantly moves over into the auction system and you do not pay any sort of submission fee because there is real interest in the name. And it is just if it ends up selling, then it would be the commission off from that. And, with that commission, it also includes escrow, so there is no additional escrow fee. It is built into it.

Michael: Oh, nice.

Victor: Because of the registrar, we are able to manage the escrow process ourselves.

Michael: That sounds good. All right. So, Victor, if somebody wants to try your service, but does not want to commit to moving all of their domains to

your service for whatever reason, what do you typically recommend to them? Do they pick one name that has a decent amount of traffic - over one hundred, say, visitors per day or month - and give it the appropriate time, and then look at that one name and see what they made before and what they are making with your system? Or do you recommend pick a certain category? What do you recommend to people that want to try it but not commit?

Victor: Well, if someone wants to try it, I mean the first thing is, assuming that you are already in the parking business, you may want to first look at the consolidated reports and not actually change any DNS. Do not disrupt your revenue by moving over to use and have any sort of propagation delay in there with the DNS changes. So, I think the recommended strategy would be to, with your existing parking companies, list or create an account and get a consolidated view of your inventory.

Michael: And that is all fine and well, but I want to earn more money. So, if I want to earn more and you say that you can deliver more, what is the best way for me to try it and see that it works before I move everything else over?

Victor: Well, I think, again, first thing is to create the accounts and make sure your account setup is working right.

Michael: Oh, okay.

Victor: So, it can import and be able to take and see that. That is the methodology that you should follow; the good business practice that you should follow. Make sure that you do not lose anything. (Unclear 1:05:56.4) ability to it. And then, once you have that working and now we know that we have the account set up right and that our name is reporting traffic from places, now we are ready to move forward. So, pick some names. In order to really see Optimizer work, you know that you are going to need something that has got some traffic on it. And if you do not have a lot of traffic, then you need to be patient. If you have a lot of traffic, then you are going to see results pretty quickly. So, something that is generating some traffic to it so that you could actually see what the results are. And so, start with something that is going to do more than one hundred in a short time frame for your window of testing, and then you will be able to take and see the benefits of

the platform. But I think the number one benefit is just to get a consolidated view of your inventory, but then something that has one hundred or more visitors.

Michael: Yeah. All right, that sounds great. Here is the final question for you, Victor. You primary role at Above.com is to lead and oversee the continued development of Above.com Registrar and Marketplace. What can people expect to see over the next twelve months? What is on your goal list that you are hoping to deliver that is going to change the way people look at Above.com?

Victor: Well, we are going to continually refine the three components to take and improve the information flow and provide additional value to our clients through the bringing the different components together in a smoother, more seamless way. But we are also going to expanding our Maximizer service, which, in these times, everyone is so dependent upon a Google feed. We feel that that is prudent to do that - to expand that business - and we keep seeing more and more interest in people buying traffic direct and bypassing Google; bypassing other advertisement services and just buying traffic direct. So, we are going to continue to invest in that particular area. Leverage many of the other services that Trellian has, such as Keyword Search, Competitive Intelligence, and those types of services that they have on that side of the house to package statistical information in a way that can help our domain investors make better choices for the names that they are going to be investing in. Provide some information to the industry to take and show some of the dynamics of the industry that will, again, help educate and make people more aware of how things work. And once they are educated, they make better business decisions, so we will be doing that as well. So, within the Above Platform, that is going to be the focus; is tidying things up and improving upon it. Once we have everything going like we want, then we are going to be all in the domain investors business, letting them know what we are doing and how to do business with us.

Michael: Sounds good. Well, this is the part of the program where I ask for two things. Number one: post any questions for Victor in the comments below the video and I will ask Victor to come back and answer them. And it could be anything. It could be a question set that you just wish I would have

asked one more question or something that I completely missed from the script. So, please ask your questions of Victor. And number two: post a comment and let Victor know what benefit you found from this interview. If we want to bring on more people to share their wisdom and share their knowledge of the industry, we need to let them know that people are watching the show and that they appreciate it. It is really easy to watch, listen, and read the show and not to comment; so I just ask you to take a minute of your time and make a comment so that Victor knows that people are watching the show and they appreciate it. And of course, that is how business gets done. When you make a comment, Victor knows your name and he makes a connection. When you see each other at conference, he is likely going to remember your name and that you made a comment. So, please do. Start to make connections within the domain name industry. That is how business is done. If you want to stay up to date with Above.com and Victor, you can follow them on Twitter at @Above_Domain or you can also follow them on Facebook to get updates at Above.Domain.

Victor Pitts, Direct of Domain Services at Above.com. Thank you for coming on the show, giving us a look under the hood at Above.com and what is going to be coming in the next twelve months, and thank you for being a Domain Sherpa.

Victor: Thank you very much for the invitation. Good-bye everyone.

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

Watch the full video at:
http://www.domainsherpa.com/victor-pitts-abovecom-interview/