

### How Finding the Right Domain Name Niche Made All the Difference for This DNForum.com Member - With Warrick Mulder

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<http://www.domainsherpa.com/warrick-mulder-coza-interview/>

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, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain...or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, 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.

Here's your program.

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 entrepreneur and investor directly from the experts.

Today we are digging into a success story posted on DNForum.com by a user with the handle Aqua84. For a couple of years he was purchasing "pigeon shit domains", as Rick Schwartz likes to call it and like Aqua84 mentioned in his post, "domains that do not produce any parking revenue and then just did not sell." Then, today's guest took a different path. We are going to learn about that path and how it has made all the difference for him.

Today we are joined by Aqua84, also known as Warrick Mulder, a Domain Name Investor and Owner of FisheMarketing.com. Warrick, welcome to the show.

Warrick Mulder: Thanks Michael. Pleasure to be on the show with you.

Michael: The story you posted on DNForum about your cash parking revenue captured a lot of attention in the industry. Let me first start off by asking you this. Why did you decide to tell all on DNForum, especially after another poster there pointed out that, when you do so, you potentially create more competition for yourself.

Warrick: I dared to post this post on DNForum. I had been pondering about it for quite a few months and I was in two minds. Should I or should I not post it because it could potentially cause a lot of stir, which, in the end, it did. I did not expect it to create such a hype, but that was not the intention at all. My pure intention of posting this was to say that, yes; I did miss the boat in terms of the Domaining Industry. When it first started in late 90s/early 2000s, I mean I unfortunately was too young in that point in time to know anything about domains or understand the value of them. I was just a teenage Internet surfer. Not as savvy as the teenagers of today are. So, basically, the whole point of the post was to say it is never too late, be positive, work hard at what you do, and you will find opportunities elsewhere. So, yes, I might have spent, let's call it, five to six thousand dollars over my first year of registering domains - buying .COMs, .NETs, .ORGs, posting them on DNForum, adding

them to my profile on Sedo with the hope of getting an offer. However, I had zero interest on all resources available with the traffic being very minimal. So I then thought to myself: "Well, at that point in time, there were around ninety million .COMs registered. Surely the market has been completely flooded as apposed to what is available." And myself, at the time, did not have a fair amount of spare capital to just go and invest and buy two thousand, three thousand, or five thousand dollar names off of other domainers. So, it was at that point I also just developed my own website - a local accommodation website, which got me interested in our own local CCTLD - the .CO.ZA extension. So, going back to why I posted it is to show that it is never too late. You have not missed the boat, even though I only started doing this in 2009 as apposed to many experienced domainers.

Michael: Yeah. All right. And I love to hear stories like this because, yes, we all missed the boat back in the mid- and late 1990s it seems, but if you look in the right niches or you look in the right areas there are opportunities that are still abound. So we are going to focus on your opportunity, which was .CO.ZA. So you started domaining in 2009 and you mentioned that you built a local accommodation website. Was that a personal website or was that a website that you were building for a company that you were working for?

Warrick: This was my first entry into owning my first website ever on the Internet space, and this was my own website. I developed whilst I was working for another company with hopes of it taking it off, which I got their verbal agreement that, yes, I can develop the site and list their properties on, which create extra marketing. However, fortunately, it started to do well and, unfortunately, they did not like that and I was fired from my job.

Michael: Oh my, that is terrible.

Warrick: The Monday after the weekend I got married, so it was a great start to everything.

Michael: So, why did they not like that you were delivering them more customers? Did they view it as more competition?

Warrick: They viewed it as competition, but they viewed it also as I was potentially overtaking their business and I was going to do better than what they were doing. So, a good lesson learned there was I did not get it in writing and, in life, you need to get things in writing before pursuing them.

Michael: Yeah, definitely.

Warrick: However, in the end, it worked out far better and the best for me because, since then, I have never had to work for anyone else in my life.

Michael: Yeah, sometimes the worst situations actually turn out to be the best situations in life. Did you end up keeping that property that you developed? The accommodation website.

Warrick: I did. It was, in a sense, perfect timing because it was just before the World Cup. And the property website focused primarily on short-term, self-catering, luxury accommodation, which was in extremely high demand before the World Cup and post, pre, and during the World Cup, which was great. So I had a lot of listings of vacant properties and owners wanting to get short-term rentals during the World Cup at that point in time.

Michael: And so, you listed a property. And then, did you charge per lead that you delivered to the owner? How did you modify it from working with this other organization where you were sort of doing marketing for them to when you got fired and had this property; now you needed to generate some revenue with it? How did the business model change?

Warrick: Well, basically, they focused in CBD of Cape Town. My website that I developed focused on the whole of South Africa on apartments; and primarily apartments and villas. All self-catering. So that brought in my scope as to the amount of accommodation I could provide for potential customers and clients. I worked hard at setting up contracts with these homeowners and property owners. And the way it works here is probably similar to where you are. However, on a short-term rental, let's say someone pays a thousand dollars for a week. Myself, as the company, would own between twenty and thirty percent commission of the thousand dollars. So, I

would handle the entire reservation and process as well as collection of money from the guest and then the payment process to the owner.

Michael: I understand. So, basically, you are running an accommodation service yourself. It is not just a website. It is a full business. You book the accommodation. You take the transaction. You probably make sure that the customer gets there fine and were happy with their stay. And then you remit the bulk of the revenue generated to the owner.

Warrick: Yes.

Michael: Are you still running this website today? This business.

Warrick: I am. It has diversified a bit where I have created more of an exclusive portfolio focusing on thirty five-star villas throughout Cape Town and thirty apartments in the V&A Waterfront in Cape Town. All five star, but these apartments, for example, have twenty-four hour staff compliment there able and ready to meet and greet the guests and check them in.

Michael: Wow.

Warrick: The process that I have set up with this is more through a locally developed property management software whereby I manage the rates, the availability, and the payments through all online, third party intermediary websites such as Booking.com and Expedia. So, if you go to Booking.com and book this property on Booking.com, I will facilitate your entire reservation process here in South Africa.

Michael: Great. And what is the name of the property?

Warrick: The one at the Waterfront is Lawhill Apartments.

Michael: I am sorry. I meant what is the name of the domain name for the business website that you own?

Warrick: The two main ones are LawhillAparements.net and the other one is VillaApartmentManagement.com.

Michael: Okay. Great. And so, is that your fulltime job nowadays?

Warrick: That is. That has kept me busy for, at least, the last two years. Well, we have got a consistent amount of forty to sixty guests staying with us every month.

Michael: Wow.

Warrick: So, there is a lot of logistics involved in ensuring everything goes smoothly with the amount of International guests we have come to stay over with us.

Michael: Yeah, I do not even know how you have time to do domaining when you are managing that many guests per month.

Warrick: Luckily, our staff are there. We have got a few sets of staff there that are able to check-in the guests and just ensure that they are there and arrived all right.

Michael: Excellent. Okay. So, you had this business. We understand where you came from, developing a website, understanding how the website can work, how you can generate leads, how you can build a business out of it, and then you realized that domain names could facilitate people coming in for the accommodations, especially for the World Cup. And you started buying domain names, but a lot of the domain names did not lead anywhere. You were buying and hand registered the .COMs and the .NETs; but with so many already registered, you just were not making any traction. At what point did you realize that focusing on your own country - the .CO.ZA - domain names would be a better path for you?

Warrick: I think I realized that probably just after the World Cup, mid-2010, before I had registered I think. When I started hand registering these names it was late 2009/early 2010; and I mean odd names like SafariAfrica.mobi. And, at that point, what I read online was there was such a hype about .MOBI and all I was hearing was .MOBI. So I hand registered a whole lot of .MOBIs, which was an absolute waste of time and money. Throughout that

journey I then came across the hype of .CO, which made itself in the media and the news, and everyone had to have a .CO. So I hand registered a few of those and, still, was gaining no traction. I then met, through the industry, a colleague from the US who has invested in .CO.ZA names and kept going on positively about the industry. And I had started to notice a few popular sales, even a few from 2009, which were really decent sales. But every time I spoke to him, I mean he is a great friend and colleague now, and a good mentor as well, I learned a lot from him. And always continuing about we have got a lot of factors in South Africa, which have slowed down our Internet growth such Broadband prices, the accessibility, and the speed. There are a lot of factors that have been unfortunate for South Africa and the Internet Industry I suppose. However, that is all changing. We have now got all the Broadband Companies competing against each other. The rate is dropping almost daily. Speed Cable is being built and speed of the Internet is increasing tremendously. So, with that, in turn, we are experiencing a lot more daily Internet users. So, this is what my mentor spoke about continuously and saying, "Wait. Wait. Wait. It is only going to burst and start to burst between 2012 and 2015 in terms of South Africans realizing and South African Companies realizing the value of a .CO.ZA domain name." And another thing about South Africans. What I have noticed is they definitely are trusting more .CO.ZA local websites or a website with a .CO.ZA extension rather than a .COM or a .CO.UK. In my past, or up to today, I have seen that trend within South Africans.

Michael: Yeah. And so, why do they trust the South African TLD? Being in the United States, unfortunately, a lot of my thinking is US centric. And I think a lot of the people look at the US and say: "Well, everybody should use a .US domain name TLD", but we do not. It is very seldom that you will see a .US and, in the US, we only use .COM. Now, when you are in individual companies, is the .CO.ZA TLD used more than the country code itself, like if you are in Nigeria using a Nigerian TLD?

Warrick: I do not think Nigeria is at that point yet. There are two specific countries one needs to definitely keep in mind as what will potentially get to the point of where South African is now. So, the first one being Kenya with .CO.KA as well as Nigeria. They are, potentially, a few years behind us in terms of people only using their exact country code. But if you look at a lot of

and majority of local online businesses and websites in South Africa, they will be published to a .CO.ZA rather than .COM or .NET. Also, more than likely, the .COM that they wanted or would have published their site to is taken in any case. So, there is that barrier to entry in terms of local South Africans developing and publishing a site onto a .COM.

Michael: Okay. That makes sense. So, now that you have gone through a couple of years of learning process, how many domain names do you own today?

Warrick: I have to guesstimate. I am a bit slack in having kept track probably in the last two months, but it is definitely around two thousand and three hundred to two thousand and five hundred names.

Michael: Okay. Somewhere around there.

Warrick: I need to update my housekeeping on that, but whilst I am sitting on my computer working everyday, I will see an idea or think of an idea and register a few names throughout the day, but do not put them on the record.

Michael: And are a majority of your portfolio currently .CO.ZA domain names?

Warrick: I would say probably ninety-five percent of it is. I have kept a good probably fifty to eighty of the .COM/.NET names that are registered and one or two .DE. But I have started growing my .COM.NG (Nigerian) portfolio, which is up to about a hundred and fifty names at the moment.

Michael: Okay. And what are a couple of your favorite .CO.ZA domains that you currently own in your portfolio?

Warrick: Some of my favorite would be - and I have even built a site on this, which has turned into a lead generation site. And I absolutely love generic keyword domains because they rank so quickly and so easily, and especially if it is a highly searched generic keyword. So, for example, one is WindowTinting.co.za, which generates at least four to eight window tinting leads every single day.



Michael: Wow.

Warrick: Which I pass on to other companies. And that only took me two weeks to rank third and position page one of Google on Google.co.za for "Window Tinting" - that specific keyword. It is not terribly hard, but that is generally what people type in. So, I am not a Window Tinting Company, but I beat all the existing Window Tinting Companies on Google.

Michael: Exactly. Good.

Warrick: So, it is a little bit of a game. I think some other names. I built one website as a test just to see and prove to myself that I can beat the Finance Companies in ranking in Google. And not specifically under keywords such as just Finance, but under more long tail keywords like Bike Finance Cape Town or Personal Loans Cape Town. So, that site is FinanceQuotes.co.za, which also generates about five to eight leads per day. Majority of them request for personal loans, but I pass that on to a local Finance Company here. Some names I love. I have not said something, which is quite important. Most of these names, I believe, and the names that I register can be turned into small business, or even eventually large businesses. Unfortunately, I do not have the resources or time to develop any name, but BikeRacing.co.za and BikeAuctions.co.za. There is a hell of a lot of different ideas in each name that each name can be developed into. Some funny names: PMS.co.za. For New Years Even, NYE.co.za. So, diverse portfolio consisting of from three-letter up to long tail-type domains.

Michael: Yeah. All right. So I am understanding what kind of domain names that you have in your portfolio now. So, what I want to know next is: how do you acquire these domain names? Are you hand registering them or are you using some other vehicle?

Warrick: I used to hand register in the sense that the UniForum is the registrar of the .CO.ZA name space for South Africa. And there are certain ways you can do it now through registrars such as Web Africa and so on, or you can do it direct with UniForum itself where they have got a special e-mail format that one has to send directly to the UniForum robot, let's call it,

and thereafter, immediately, you get a ticket with the confirmation of registration as well as your invoice number to pay for that domain. So it is a very, very old registration process, which probably not a lot of domainers have experienced or come across. So, that is the one way, which costs fifty rand, which is about seven dollars per .CO.ZA. I have yet to go through a company like Web For Africa or any other registrar. You will probably pay twelve to fifteen dollars. However, over time and making really good friends and colleagues and acquaintances within the industry, I was fortunate enough to be invited to become my own registrar of the domain .CO.ZA space. So, a couple months ago, I initiated the process and it took probably about four weeks or five weeks to become an Accredited Registrar of the .CO.ZA domain space, which, in the end, has saved quite a bit on reregistration costs and only costs me about four dollars, depending on the exchange rate, per month per domain. So, I have saved myself almost three dollars per domain, which is great too, especially when you are talking larger number of names.

Michael: Definitely. Okay. So you were registering them. You realized that there was a cheaper way to do it. You were invited to become part of a group of people that then became an Accredited Registrar with Uniform. Is that correct?

Warrick: Well, it is called the EPP System, so we are, in essence, our own registrars within the .CO.ZA name space.

Michael: Right. Okay. And, as a registrar, you now can get access to domain names less expensively because you do not have to pay the markup of another registrar, but do you also get access to names that are dropping through the system?

Warrick: Not necessarily. A lot of research has to be done and records have to be kept. Those names that are dropping are not really published to the public in any life forum. It comes down to more of a research and time keeping process as to what stage of the cycle that domain is in.

Michael: Okay. And so, if you have a list of domains and you like a Domain.co.za and you want that one, you are going to keep tabs on when it is

actually going to expire. And, if it does not get renewed, then how do you try and grab that domain name?

Warrick: A special robot has been developed whereby it will, in a sense, monitor the time that that domain was originally registered, and it will monitor the time and know the exact time that the domain is going to drop. And it is all automated, so it will send the domain registration request literally the millisecond that domain drops. However, there are a few people competing for that name, so you got to just ensure your timing is really, really to the T in order to catch those type of names that are dropping.

Michael: Yeah. Now, is that the registry process that you have when you want to hand register a domain name where you send in a formatted e-mail to the UniForum service and a robot opens the e-mails and processes the requests?

Warrick: No, it is a little bit different where these names that we foresee to potentially be dropping will be loaded onto the system a week before the drop actually happens. Whereby, if I want to hand register a name, I will just load it into my system and create the domain registration. However, we might see a name is going to be dropping. The potential owner could still pay for it the day that domain drop happens, or begins; and that domain will suddenly get deleted off the drop list. So, yes, you can say maybe eighty percent or seventy percent of your names will drop that you are targeting. The other thirty might get paid for the day before or during that day the drop begins. The drop generally lasts about two days or three days over a weekend.

Michael: Okay, I understand. So, basically, when the drop happens, you are just getting your request in as soon as possible to register the domain name?

Warrick: I used to sit and watch the entire weekend when the drop was happening, hoping I would get my names, and seeing when they were going to expire, and hoping that no one else with these fancy, let's just refer to them as, robots would catch these names. However, my success rate was terrible because these robots were a lot quicker than I. I am talking down to the millisecond. So, I have been a lot more successful since I have joined this

group and have access to the software technology to help on the drop every month.

Michael: I understand. All right. As a part of this group - your registrar -, are you reselling domain names to the public, or are you using it as a private registrar so that you can all get discount domain names?

Warrick: No. I think there are about six of us now in total. We all work together and assist each other with general information. We have all got our own portfolios of which are available to the public for sale. I would say they are all definitely available to the public for sale, but it is not that we go out promoting, "Oh, we have got this, this, and this name and that is for sale." Basically, it is just as any other domain. You have got your platform such as Sedo or the Offer Pages through ParkingCrew. So I think all people phone us up directly as well saying: "Hi, we are interested in this name. Is it available?"

Michael: Okay, I understand. So I understand how you are catching the domain names, how you are registering the domain names, and how much you are paying for the domain names. And, with twenty-five hundred domain names, you are probably paying a pretty penny every single year, but actually, there is a catch with the .CO.ZA domain names where you actually do not have to pay right away. Is that correct?

Warrick: Well, when I referred to the old RAR System, yes, that is correct. If I show you now how to go and register a name through this old system by sending an e-mail, you will have six months to pay for the name. Initially, that name would resolve onto a name server for the first three months without payment. However, UniForum has changed their policies and, from the day you register it, it will not resolve on any serve unless it is paid for. So, that probably happened within the past three or four months. With the new EPP System, from the second you register it you pay for it. So, the different is I am going to pay thirty-nine rand through the EPP System as apposed to fifty rand through the old system. So I can register a name and not pay for it for five months, but pay fifty rand and then transfer it to the EPP system, but there is no point in really doing that.

Michael: Right. Okay, I understand. And so, I know you talked about a couple of the domain names that you have developed out to build lead generation sites, but are a majority of your twenty-five hundred domain names or so parked, or displaying For Sale pages, or how are a majority of your domains being handled currently?

Warrick: Well, when I first started registering domains, I knew nothing about parking. And I then started, obviously, spending a lot time online on DNForum as well as other places online and started learning about this wonderful thing called parking, which I did not know much about. So, through my Sedo account, obviously I started parking and learning what pointing a domain to a name server means and started to do that with my names. And saw a little bit of traffic coming through, however, not much revenue. Seeing I was with GoDaddy and I saw they were promoting a service, I think it was, called a Premium Cash Parking Account where you paid eighty dollars a year for it. I thought: "Wow, okay. Maybe the revenues will be a lot better with that." So, I created myself a GoDaddy Premium Cash Parking Account. The revenue started to increase a little bit - maybe three or four dollars a month -, which was a little bit better than how much I was earning at Sedo. Just to keep in mind though, I had never ever pointed my .CO.ZA names to any name server for any parking purposes. These were mainly the .COMs and .NETs. After being about a year or year and a half within the industry and making these friends and colleagues who have guided and mentored me so much, they then mentioned to straightaway change my names and start parking at ParkingCrew.com. So I was a bit hesitant. I thought: "Well, after this amount of time of parking my names and earning bugger all, it is probably going to be the same," but I thought: "Why not give it a go?" So, eventually started the process. Sort of creating my account with ParkingCrew, changing my name servers, and pointing them all towards ParkingCrew. I think it was in October 2011 was the day that I started to make all my changes and, suddenly, I was not earning four or six dollars a month, but it grew to ten to twenty to fifty dollars a month. And I think the first month ended with almost maybe thirty or forty dollars; and that was only after changing a couple of names, which then gave me the confidence to now register lots of names and change all of my other names to park at ParkingCrew. So, I think one important thing to note and to keep in mind what I have learned over time is - well, this is in my opinion and not earning

pedigree killer names such as Finance.co.za, etc - domaining, I am sure you will all agree, is definitely a numbers game. So, if I have got five hundred domains registered and pointing, it is not necessarily going to bring in a huge amount of offers or traffic every month as apposed to earning two and a half thousand or two thousand. I mean I have heard of portfolios of over three hundred thousand names, which is probably quite ideal, provided they are getting in traffic and revenue. However, my end goal is to get up to ten thousand names. Primarily in the .CO.ZA, .CO.KE, and .COM.NG extensions. It does not happen over night and neither did I start off I think in October 2011. I probably did only have about six hundred names that I had registered. And it was from then that I saw the parking revenue increase and I was now starting to be able to afford to repay for my names with a bit of profit, reinvest that profit into registering more, and more, and more names, and so that is how my cycle began with growing the portfolio into what it is now.

Michael: So, how much do you make per month parking your twenty-five hundred domains or so with ParkingCrew?

Warrick: It has varied and it did not start off. Like I said, there is the six month payment process with the .CO.ZA where they would not resolve. So I had registered a whole heap of names, which suddenly were not resolving and, over the months, started to pay off. So the parking revenue generally, or gradually, started to increase and started hitting two hundred dollars to two hundred and fifty dollars a month. And as I kept on paying for the names that I had registered the two to three to four months prior, the traffic started increasing as well as the revenue because now these names were starting to resolve onto the servers and actually generate parking revenue. Now, I would say, everything is paid for. They are all resolving probably as a month and a half ago, and a few renewals are starting to come up again, but it has been averaging around two and a half thousand dollars. It did drop to two thousand dollars I think about two months ago where I thought: "Okay. Maybe I only hit it lucky for two months." I thought: "Wow, this is great. And now it is going to go back to what it used to always be," but it has always been a general consistent, let's call it, between two and two and a half thousand per month for the past five months.

Michael: Yeah. And I do want to point out to readers, a lot of times the guest will come on and they will claim something and we try and verify as much as we can. And in this case, Warrick was kind enough to provide some background information and I am looking at the numbers right now. And exactly what he is saying is exactly what I see from his account screen, and so I appreciate you coming on here, Warrick, and sharing your life lessons with people in the domain name industry, but also backing it up so that I can say, "Hey, I have seen it and what he is saying is actually true." So, your parking revenue has grown. It has become more consistent, what you are saying, as you are pointing more and more .CO.ZA domain names to ParkingCrew. You mentioned that your decision process for ParkingCrew from a previous parking system was mainly that your colleagues in South Africa had recommended this to you. Have you done any other reviews of other parking systems, like Voodoo or Internet Traffic, or anything else to see if they might be able to produce more revenue for you per month?

Warrick: The colleagues that have guided me are all based in the US. There are two of them that are based in the US and they - it is funny to say this - only invest in pretty much .CO.ZA names, which is quite interesting and that is how I have met them - through the industry. I have not, to be honest, spoken to them about any of the above or any of these other parking-type systems and, in my opinion, I have been too nervous to try them because I have seen what other parking systems have generated, which was definitely not nearly close to what ParkingCrew generates. So, for that instance, no, I have not even considered changing because I am happy with ParkingCrew and they do a great job with what they do.

Michael: Yeah, and that is fantastic. As a registrar, you are paying four and a half dollars, let's say, for registration and you are basically paying for all your domain names every year in only half the year with the revenue if revenue continues to come in at the same rate that it is at ParkingCrew.

Warrick: That is the thing about this parking revenue. As I am, I would say, pretty new to it and do not have years and years of track records, so it is going to be interesting to see what the trained and the end graph will look like. If it is going to continue to grow, if it will stay level, or if it will decline. Unfortunately, that is out of my hands and I cannot say.

Michael: Well, I invite you back right now six or twelve months from now to actually revisit your lessons learned from the point that this came out until then because it will be interesting to see if parking changes over time or if your sales increase over time or what have you. So clearly we talked about all of the domains you have. A few of them that you have pieced off for lead generation and, clearly, you are a person that is easy to talk to that can explain topics. You have set up relationships with certain companies for actually booking accommodations in South Africa and for creating financial quotes at FinancialQuotes.co.za. So, you have got some lead generation. You have got some parking. And the other revenue stream that you have is selling domain names. Can you talk about how many domain names you have sold in say that past year and what kind of figures are you selling them for?

Warrick: Upon the revenue stream, I want to also point out on something else, which I spoke about - I will get back to the sales. Each domain can be turned into an online business, so there is portion of the Internet that I am very, very passionate about and I have been focusing on for the past year in terms of developing names into online businesses. And my biggest one to date that I have literally just launched is FishingStore.co.za. This portion of the Internet that I am referring to is eCommerce - online shopping -, which is about to explode in South Africa and is currently exploding. Consumers are becoming more and more confident to purchase products online with careers becoming cheaper and offering door-to-door delivery. So, with FishingStore, we are offering fifteen tackles online and all types of fishing rods, reels, lures, etc, which I feel is definitely going to boom in South Africa. The eCommerce and companies such as Rocket Internet have launched in South Africa, which is great for our online industry here.

Michael: Definitely. Yeah, just wait for Amazon to open up there and everything else will take off, right?

Warrick: Well, they have. They have just opened offices in Cape Town.

Michael: Great.

Warrick: Yeah, that is great and positive.



Michael: So, your FishingStore.co.za. Is that an affiliate website where you list products from other services and you take a commission when they sell or have you created a drop shipping website where you take the money from the customer, you deliver the customer service, and then a third party mails out the product on your behalf?

Warrick: I have actually created the FishingStore as another business. I have done a joint venture as a registered company for the FishingStore whereby the joint venture I have done is one of South Africa's biggest Tackle Shops whom have the buying power and all the stock at hand. So, basically, we set it up as a separate business to the Fishing Tackle Shop and, to have a little bit of a difference, we have marked up the price by three percent for the online shop just to have a variance between the physical retail shop and the online shop. So, yeah, no drop shipping, no affiliate, but set up as a separate business.

Michael: That is great. So basically you have your own distribution center as a result of this partnership with the physical store that is in South Africa, which is great for you and it is great for them because they get some additional business. They look at it as not losing their customers because you can buy it cheaper if you come into the store, so they do not feel like they are pilfering from the retail store to encourage people to buy online. And they did not have an online store - an eCommerce store - before this I take it.

Warrick: No, absolutely not. They did not even have a website before.

Michael: Yeah, fantastic opportunity. And that is an opportunity that anybody can do. If you have got a shop that is downtown in your city that does not have an eCommerce store, but it is a product that you think would sell well online or worldwide, and you have the capabilities to build a website - an eCommerce store -, that is no risk to them. You can do a similar situation to what you have done.

Warrick: Yeah, absolutely.

Michael: Great idea.

Warrick: I think one of the biggest things in South Africa in terms of online shopping as to why it is doing so well and just in trends in terms of what I have noticed from the types of customers that order because I have got a Motorcycle Shop as well, they are all from the outer-lying areas in South Africa. So, from smaller towns, such as Port Elizabeth or Eastland, where they cannot actually get these products. They would have to go to Cape Town, or Johannesburg, or Durban to get these products that they require. So, definitely advantage of supplying Nationally, or products to National customers here.

Michael: Definitely. Okay. So you clearly have multiple businesses that you have brewing and growing in the background, but you also sell some of your domain names, right?

Warrick: Yes, sorry, I digressed a bit there.

Michael: No worries. I like to hear that you are actually operating businesses as well; that you have a diversified revenue stream so that you are not only relying on parking and trying to scale up the business. That you parking, and that you have businesses that are bringing in income, and that you are selling leads, and it is a business onto itself, but it is not a full business that you are operating. And then, finally, you are selling domain names as well.

Warrick: Finally. It took quite a while, especially registering all those .COMs and .NETs and not having even one offer on them, which really, really shows me, as Rick Schwartz would term them, pigeon shit domains. So I have let majority of those go, and good lessons learned, and good money wasted, but it was time to move on and focus on other niches. So, yes, unfortunately, the sales are not as frequent as I would like them to be. Definitely the conversation rate. The offers are continuously there. I mean for me, in my opinion, an average of sixteen offers a month on two and a half thousand names as apposed to when I used to get zero offers a month is not bad. The conversion rate though is not extremely high unfortunately, but honestly, I am going to say, probably one sale a month average throughout the year. But I might do three in one month and nothing for two or three months, so it has been going like that. But as this year has been coming to an end, I have

noticed the offers have been coming in a lot more frequently. Definitely the types of names that are getting more offers on - and it is not necessarily the same names - are the three letter combinations and I have noticed that due to companies wanting to abbreviate their own company names. I find them extremely valuable in a sense that, I am sure, just as valuable as they are the three-letter .COM combinations, there is only about seventeen thousand three-letter combinations available in the alphabet. So, through that, I have focused extensively on building a three-letter .CO.ZA portfolio. With that, one of my last sales, which I sold through Sedo for \$2,250.

Michael: Great. And so, have all of the three-letter .CO.ZA domain names been sold through the registry so far, and now you are just looking at them dropping and picking them up?

Warrick: They actually have not. There is still probably a good three thousand left.

Michael: So why not just go and register them all today?

Warrick: I have been thinking about that. It has been crossing my mind. However, they are the terrible, terrible letters of the alphabet. The X's and the Z's and the Q's. However, I did a test where I did register a few with some of those terrible letters and they do actually get a bit of traffic during the month. Whether they are typo errors or someone mistyping something, I am not sure. So, yes, I might go ahead and register a few hundred of these three-letter names. The funny thing is I do not like names or three-letter combination with J in, but I have got a name - JLI.co.za - which got an offer, which I was very surprised of. Specifically because of the letter J within the name. It is not the most popular letter to have.

Michael: Yeah. So we have done some research and you have provided some information to our Producer, Wayne Nelson. Some decent five figure domain name sales have occurred in the past. We have got Finance.co.za for seventy thousand dollars. Fly.co.za for sixty thousand. Blackjack.co.za for twenty-four and a half thousand. Casinos.co.za for twenty-four thousand and five hundred. Furniture.co.za. Property. AutoInsurance. Financing.co.za for thirteen thousand and five hundred. So, it seems like a lot of the premium,

generic, single-word domain names or single-phrase domain names are doing pretty well.

Warrick: They are doing very, very well. The sad thing is, like I am not going to mention and I cannot mention a couple of the sales because I have not given permission to make them public. And that is the other thing about the .CO.ZA. There is a lot of sales that happen without knowing, but the other thing is a lot of people do not know how or where to make them public. I am talking about South Africans in general. So, they might be allowed or have the permission to make a sale public, but unfortunately they go undisclosed because they do not know much about the domain industry. I would say the importance of creating and making a domain sale public to create a bit of an industry within that CCTLD domain space. So, hopefully, by the end of this year, we will see two or three six figure .CO.ZA sales published to the public space, which will be great.

Michael: And I want to see your name associated with that sale as well.

Warrick: Not yet. Not yet.

Michael: So, Warrick, you also own a Web Development and Marketing Company called FisheMarketing.com. What kind of clients do you serve?

Warrick: It has sort of been a bit of a hush company. I have not promoted it that much because the accommodation has kept me extremely busy. It has been live for a year and a half now - the site. We have just let it sit there. I have put up my portfolio of sites that I have built and designed, and been primarily focusing on eCommerce online shopping websites. Shopping cart solutions. I am not going to say that I custom developed all my solutions because why try and reinvent the wheel when it is already been invented brilliantly? So I have tried and tested a lot of solutions available and I have definitely hand picked my two favorites, which I love to work with.

Michael: And what are those?

Warrick: Definitely BigCommerce and PrestaShop with BigCommerce definitely being the greatest solution available. It is a pity though,

unfortunately, using solutions like these, they all have plugins and modules to interlink into Ebay and Amazon, but no local price shopping comparison sites at all - other online sites - yet. Hopefully that will change in the future.

Michael: Great. So, you are in Cape Town, South Africa, Warrick. I appreciate you. I believe it is late in the evening. Is that correct?

Warrick: Yeah. It is 11:10 here now.

Michael: Oh, man. Well, entrepreneurs like you are always awake, right?

Warrick: Absolutely.

Michael: And even if you went home, I hear through Wayne Nelson, our Producer, that you might not get any sleep if you went home and tried to go to sleep right now anyways, right?

Warrick: Definitely not.

Michael: Why is that?

Warrick: My wife and I had our second child. His name is Luca and he is only about a month and a half old.

Michael: Congratulations.

Warrick: So, between a two-year and a two month old and a month and a half old, not much sleep going on in any case.

Michael: There is not much sleep. I am not far out of there. My youngest is just turning two and, finally, sleeping through the night. So, I feel for you. To be an entrepreneur to be running so many businesses as you are and to have the young kids at home cannot be easy.

Warrick: It is good fun to juggle and keep you extremely busy. Keep you young.

Michael: Definitely. So, aside from the young kids that are keeping you awake and aside from all of the businesses that you are running, what is the greatest challenge that you face as a domain investor in that part of the world?

Warrick: I was thinking about this. Definitely the greatest challenge is the exchange rate. For me wanting to buy .COMs, I am referring to the figures as a thousand dollars here, which is eight thousand rand here. I mean I have got to times everything by 8.3/8.5 as well as doing the renewals fifteen dollars per name. It all adds up in the end. And especially when one starts buying names in Euro or Pound where I have got to multiply by ten or fourteen. So it does get expensive. That is probably one of the biggest challenges. The other challenge is, on my personal part, I feel discouraged by not being exposed to places such as Silicone Valley, where a lot of startups do happen and there is a lot of movement in terms of technology. Especially within the application world and things that are happening. I mean one of my dreams has been to, in a sense, take a blueprint of Square Up, which is the mobile payment solution, and launch that through South Africa here because I know mobile payments here for a taxi driver, or for a bus driver, or any small store will boom you. Absolutely, it will fly. So, I read on TechCrunch.com all the time all these tech startups getting VC funding, angel investors, etc. And I suppose being within the area - and maybe it is not just Silicone Valley, but exposed to those areas - with your ideas, you probably have more of a chance to get an investor involved with your idea or something as apposed to being deep down South in Africa.

Michael: Yeah, I could understand that. Being that far geographically can have its disadvantages.

Warrick: Yeah, but look, we definitely, in South Africa, have got a decent amount of our own local startups, which has been great. So hopefully that will continue to grow.

Michael: Great. So, Warrick, here is my final question for you. It seems that you started in domain investing. You really did not have a successful path that you were on and then something changed. And the thing that I wrote down here in my notes was that you met some people, you networked with

them, you found a mentor, and now you have a group of people that you collaborate with on a regular basis that has helped you become more successful. And I am sure, in turn, you have helped them become more successful because you are sharing your knowledge as well. Here is what I want to know for those that are watching the show; that your fellow DNForum members as well who may post a lot on DNForum, but are not necessarily making the connections. It seems like that was such an important part of your success to date. What recommendations do you have for other people so that they can do better networking, make better connections, and find a mentor to help them grow?

Warrick: I think, just from things that I read online and on all the forums, especially within the beginner section-types of the forums, I can see myself - and I am still a, let's call it, beginner domainer, but I can see from spending hours and hours and hours online every single day that these so-called "beginner domainers" are registering the same amount of pigeon shit domains I used to register, and I still see them being posted. "What do you think of this name? What do you think of that name?" I think people follow too many other people online in terms of what they say; and you do this and you do that. And I see the same trends. And I think it is about creating your own individual portfolio that is different from anyone else. And it does not have to be a .COM, or .NET, or .ORG. And I know a lot of people are going to disagree with me because they have had their successes and are still continuing to have their successes. And that can be from investing five thousand dollars in a name today and maybe selling it next week for ten thousand dollars. I understand that. Unfortunately, not a lot of people, including myself, have five thousand dollars every day or month to just invest in one domain. I would rather go spread my risk and hand register, and focus on what I know now, which, for example, are .COM.NG and .CO.ZA, and spread my portfolio and risk. And definitely, it is a numbers game. It is my most important lesson that I have learned, and that is why I want to build it up to ten thousand domains eventually and, hopefully, even further than that. But when I had a very small portfolio, traffic was minimal. There was no activity in terms of offers and interest in the names. The more diverse your portfolio is and the more you have, I think the better the odds are within this industry.

Michael: Yeah. And so, that makes sense from your recommendation to get the scale and to focus on a niche that maybe not everybody else is focusing on; that you are not the last one to get to. But it seems like also, Warrick, that you came to this realization by networking with some other people and taking their advice - people that you trusted. How did you meet those people?

Warrick: I actually meet them by seeing their names on the .CO.ZA WhoIS all the time, and all these names I was searching to register myself. And we are not talking about ten times I would see their names. I would see their names over a hundred times. And I thought it was my arch nemesis within the industry now having all these names that I wanted and, in the end, became a very good friend and colleague.

Michael: So how did you go from seeing their name hundreds or thousands of times to becoming a partner with them in your registrar and having them as sort of a mentor to you? How did you make that bridge?

Warrick: Well, I saw their names on the WhoIS frequently so I thought: "Okay. Well, why don't I try sell a few of my names to these people because they invested in .CO.ZA all the time?" So I started sending them e-mails. I think the first e-mail I sent I did not get a response and, about two months later, I tried again. And obviously one of the names I had in that e-mail was of high interest to them. And it was from that e-mail response from them back to me that the friendship and relationship began. He purchased the name from me and, over time, we got to talking once a month on the phone and now it is almost weekly. We have our weekly catch-up phone call. Discuss what is happening. And through that, he had already some friend great friends and colleagues in the industry and introduced me to them.

Michael: Excellent. So it was a transaction where you developed some trust, and then you continued communicating with them on a regular basis and it became more of a business partnership and mentorship, and it just grew from there.

Warrick: Definitely. And especially seeing how much we had in common and we could assist each other with me being locally on the ground here and him investing in South Africa, but never been to South Africa.



Michael: Right, another great point. Being the feet on the street in the area where another domain investor does not have that insight. So you were providing some benefits that he does not necessarily have.

Warrick: Hopefully he will be here soon to see the country has invested so heavily in.

Michael: I hope so.

Warrick Mulder, Domain Name Investor and Owner of FishEMarketing.com. Thank you for coming on the show today, sharing your experience, and providing us with the insight as a domain name entrepreneur and investor, and so many other things. Thank you for being a Domain Sherpa.

Warrick: Thank you so much for having me Michael. It has been great. Really enjoyed the interview and the privilege of being on your show. And hopefully we will touch base in six to twelve months time and see whether I have had an increase or decline.

Michael: I would love that. And I thank you again for being so open with all the information, and financials, and your success story so far. I wish you continued success.

Warrick: Thank you very much.

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

**Watch the full video at:**

<http://www.domainsherpa.com/warrick-mulder-coza-interview/>