



Domain Investing 101

Who are you?

Audience survey



How long have you been investing?

Audience survey



How many domain names do you own?

Audience survey





Who's Michael Cyger

"Best educator" in the industry

Sells publishing company; semi-retires and focuses on family

2008

Launches DomainSherpa to interview "who's who"

2011

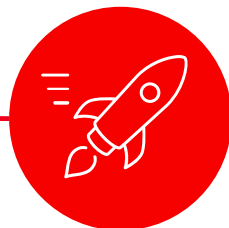
Significant Success; Tulip.com, Brew.com, Important.com

2018



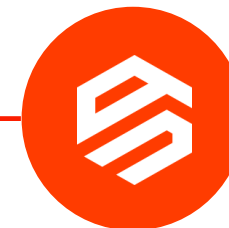
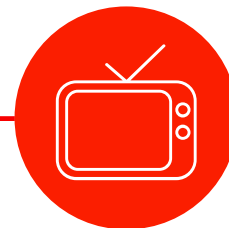
2000

At 30, leaves corporate America, starts publishing company



2010

Starts angel investing in Seattle startups



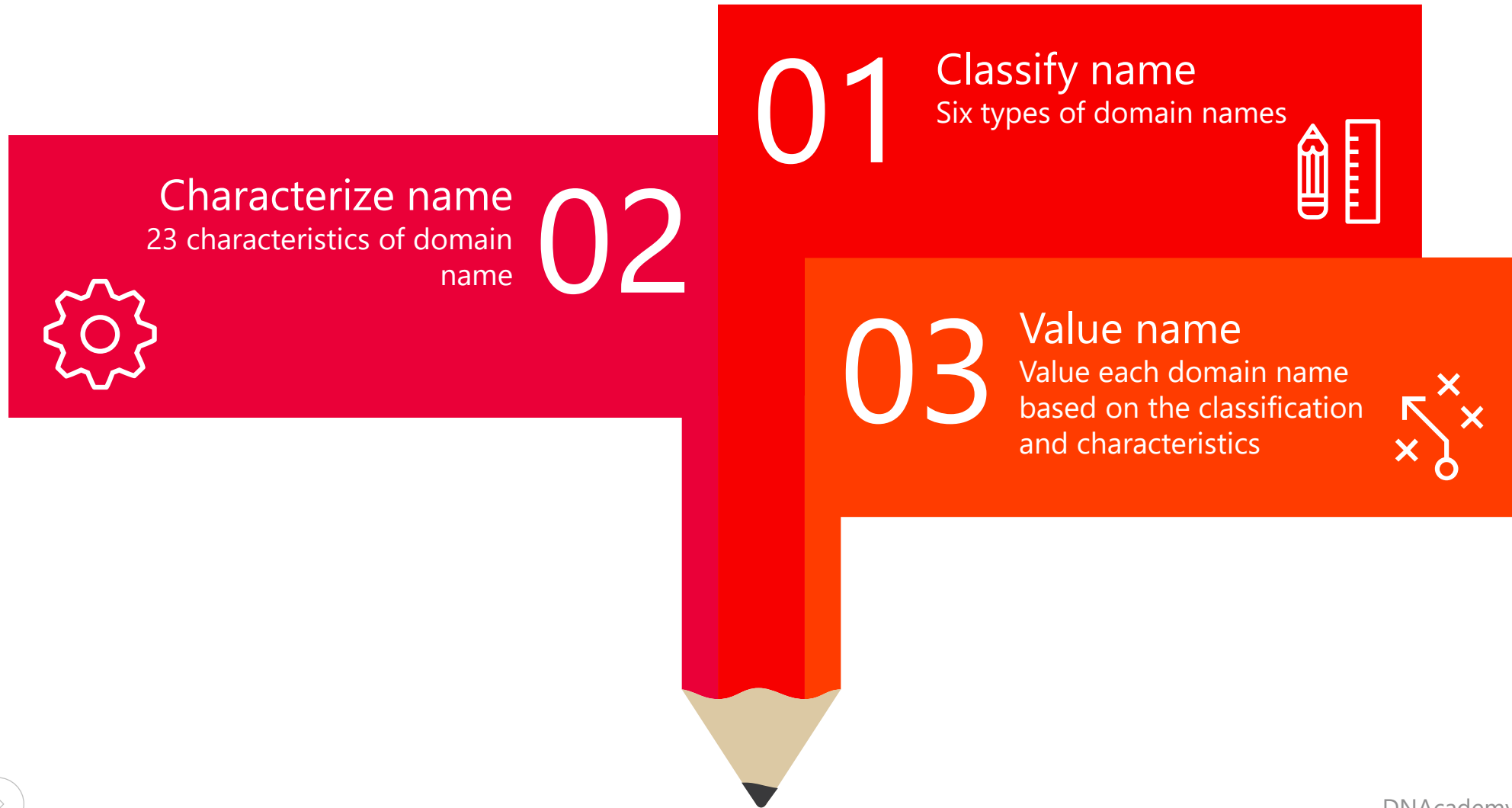
2016

Beta tests DNAcademy at NamesCon



What we'll learn in 101

Domain name valuation is a repeatable process



Domain name classifications



Domain name classifications



- We.com
- Fly.com
- Freedom.com

- StarIndia.com
- NextFoods.com
- YouCoin.com

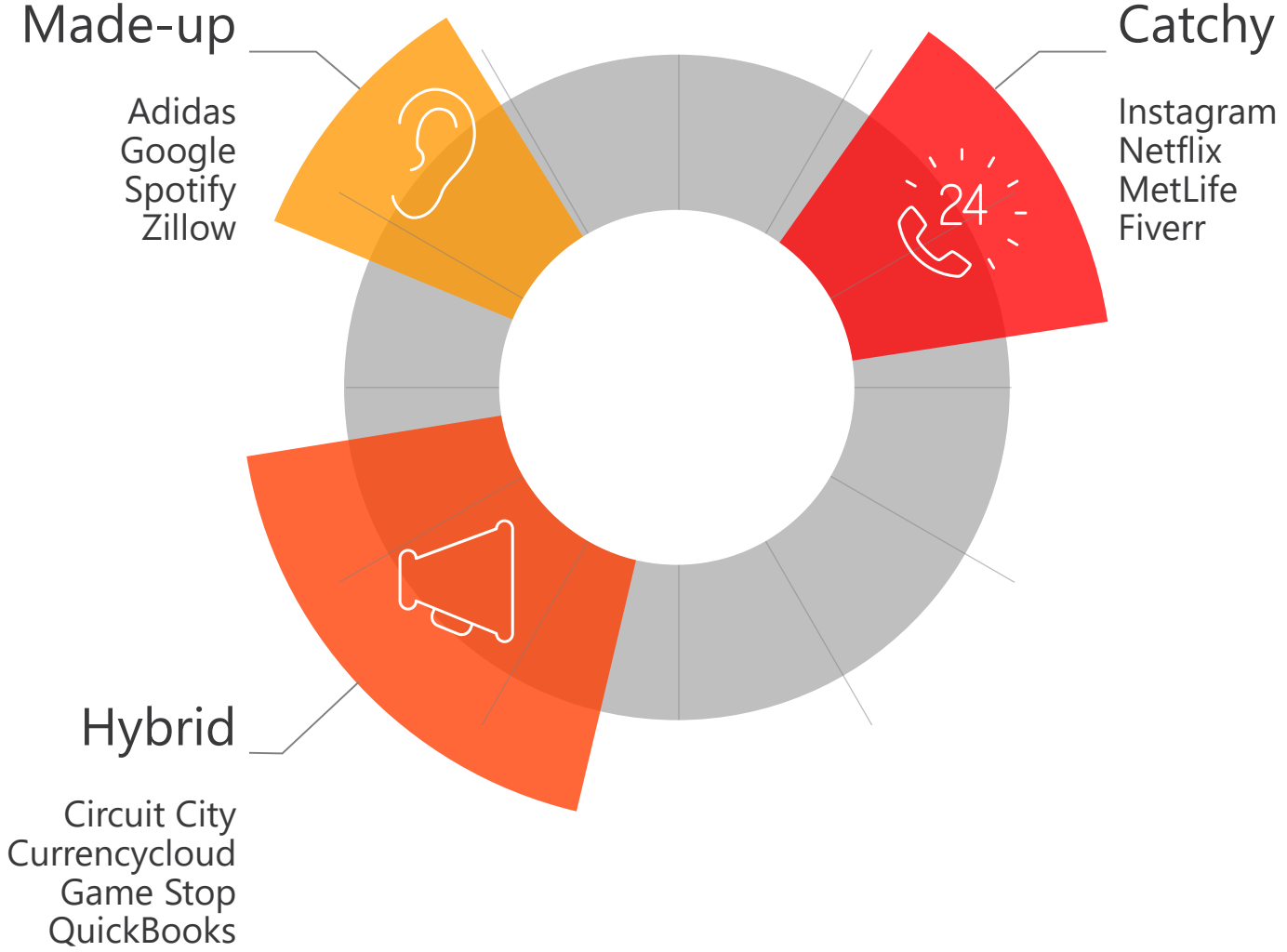
- 0123.com
- 8181.com
- 8675309.com

- UsedCarsForSale.com
- YogaPants.com
- CollegePrep.com

- XA.com
- HG.com
- TMGY.com

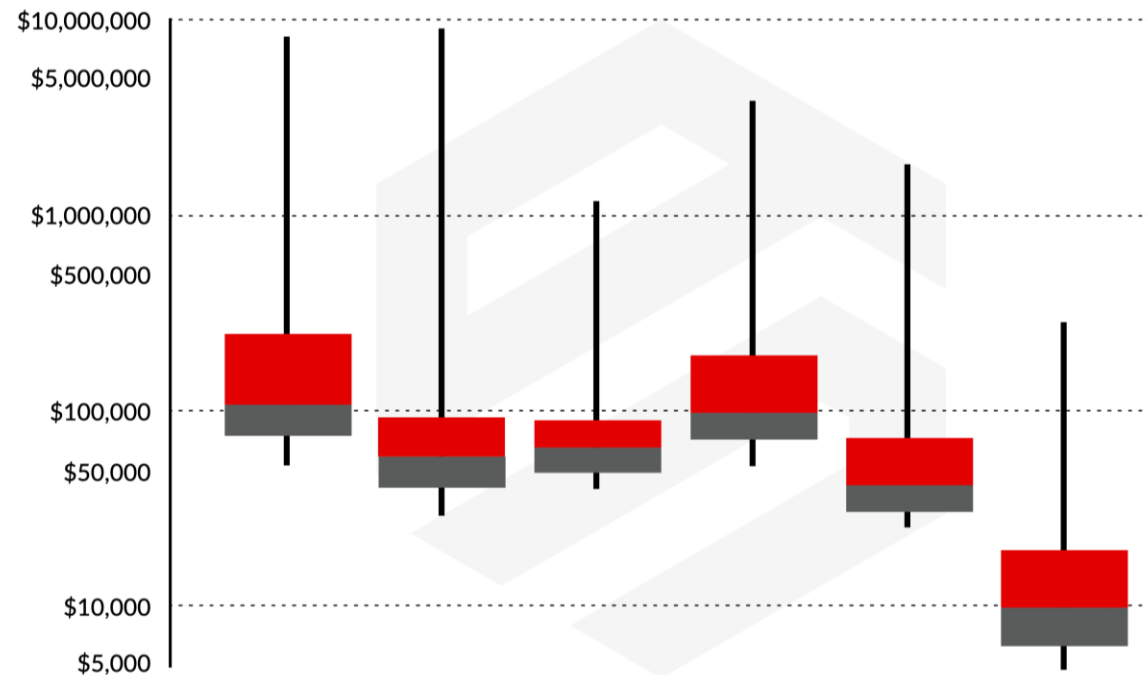
- W8.com
- M33.com
- B7P7.com

Brandable sub-types



Why do classifications matter?

2015 – 2017 top 100 sales of each SLD type



	Generic	Exact Match	Brandable	Acronym	Numeric	Alphanumeric
Upper whisker	8,000,000	8,888,888	1,200,000	3,770,000	1,820,000	280,000
3rd quartile	242,500	90,972	88,200	192,000	72,250	19,250
Median	107,251	57,500	65,000	100,000	42,906	9,999
1st quartile	75,000	40,000	50,000	71,490	31,000	6,311
Lower whisker	53,000	30,000	40,000	53,628	25,023	5,102

Risk and Reward Matrix

For non-liquid domain names assets



Key insights:

- A** Brandables offer the lowest risk, but also the lowest reward
- B** Exact match are medium risk (SV and CPC is known), but values are depressed
- C** Generic offer the highest rewards, but generally require the highest risk (\$)

Test your understanding

What type of domain name is **NamesCon.com**?



Exact match

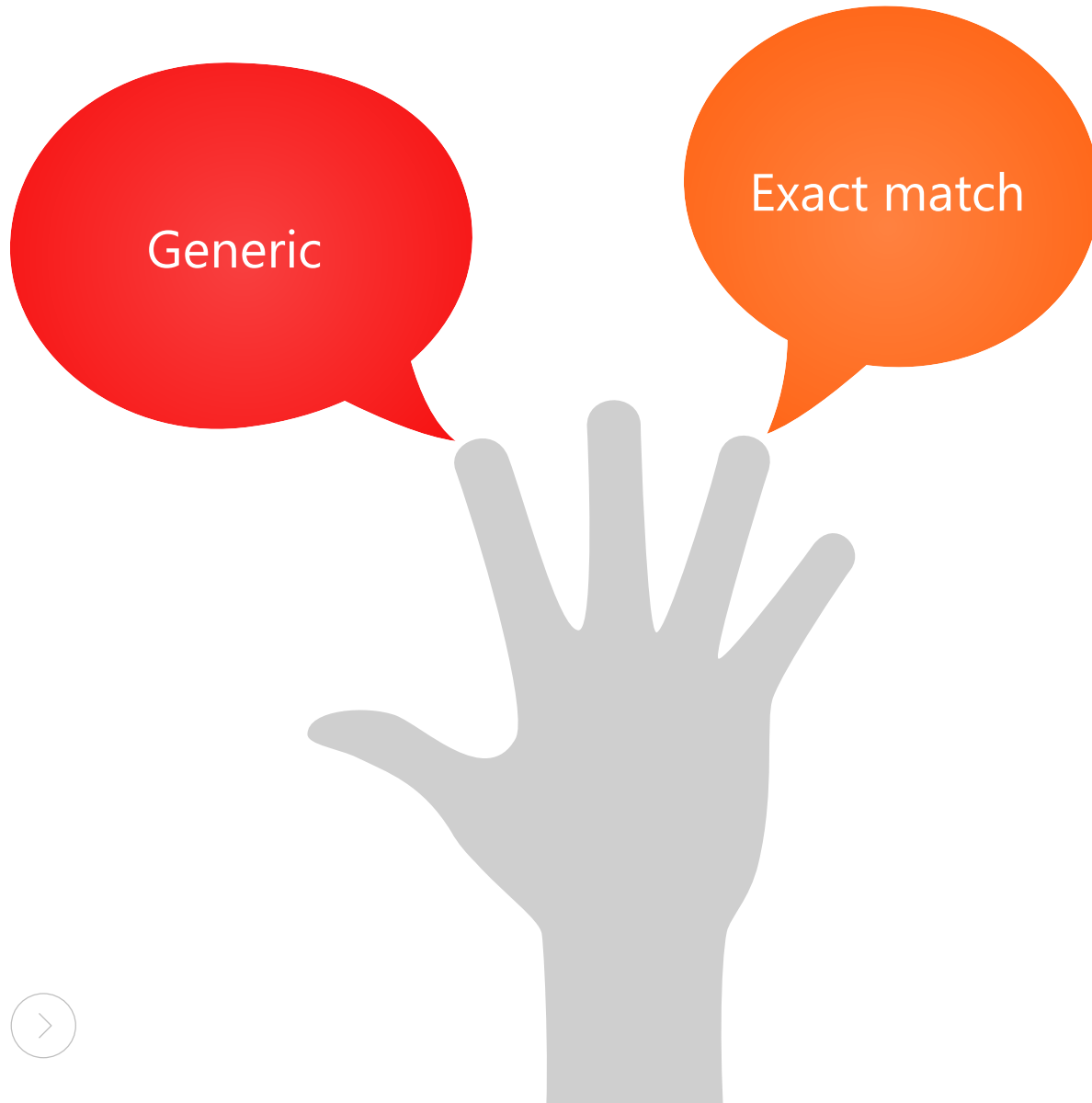
Brandable



Brandable

Test your understanding

What type of domain name is **Tulip.com**?



Generic

Test your understanding

What type of domain name is **VehicleLicensing.com**?



Generic

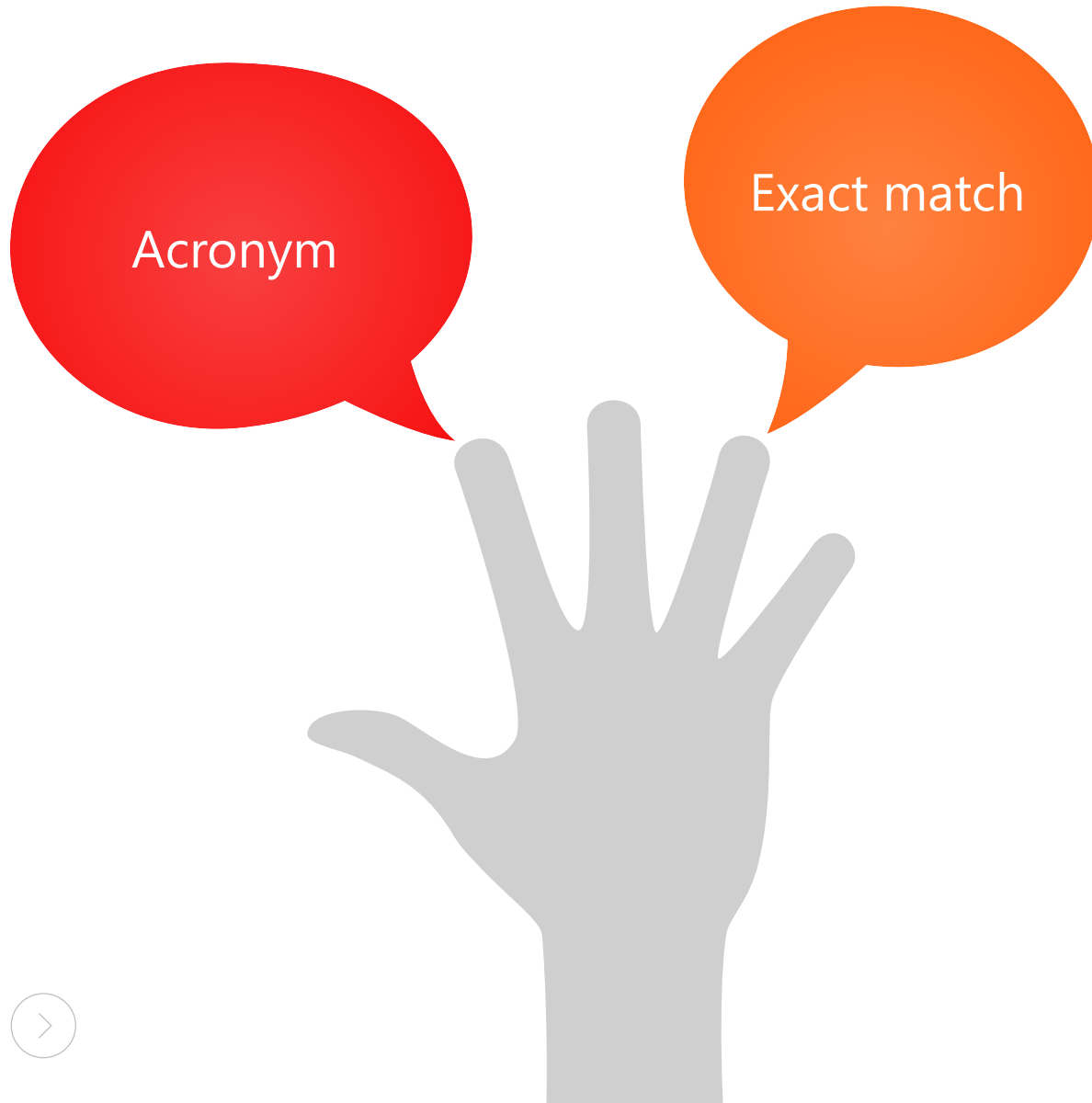
Exact match



Exact match

Test your understanding

What type of domain name is **CBD.com**?



Exact match

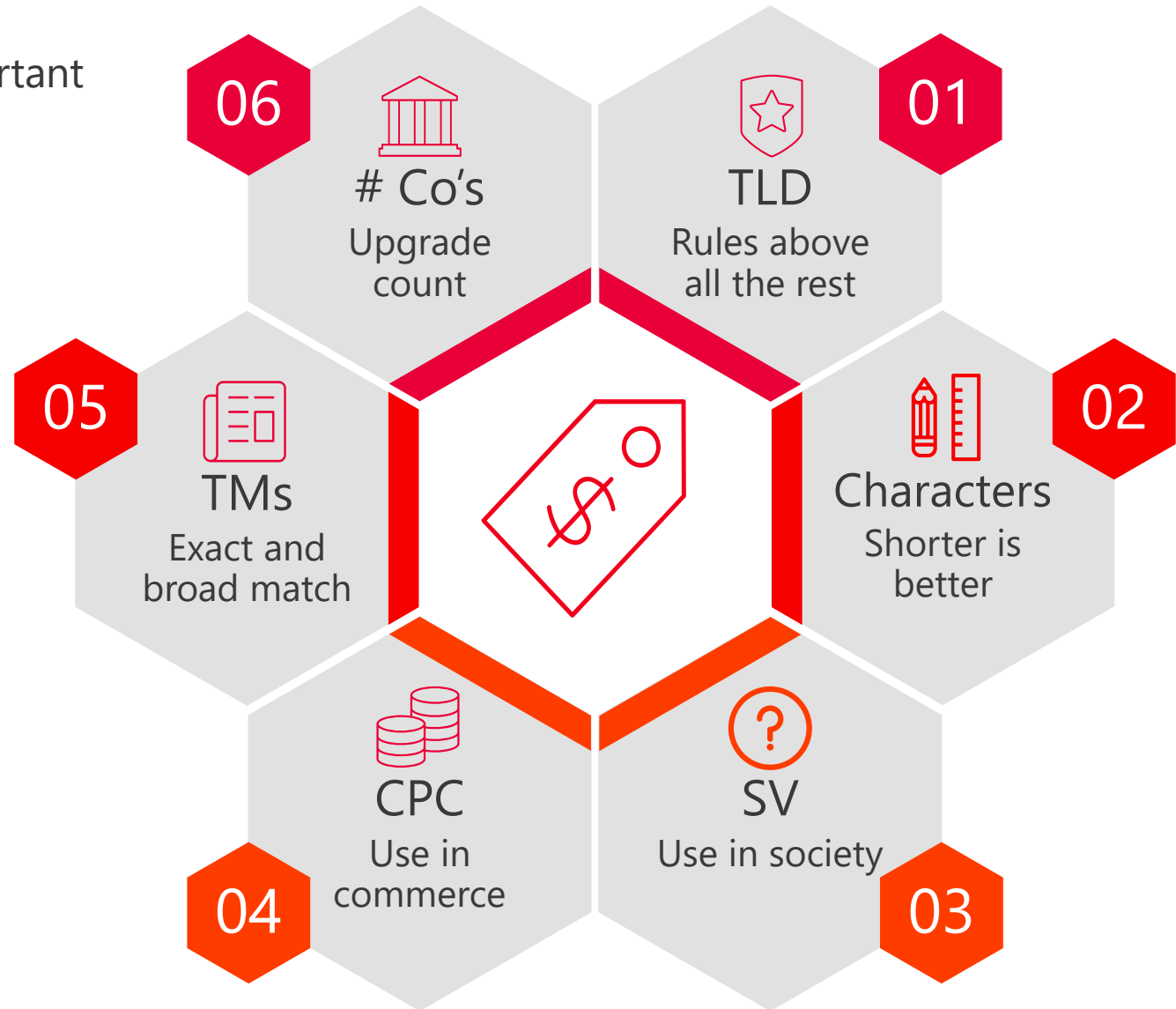
Characteristics of a domain name

23
critical



6 VIP characteristics

All are important, these are more important



Put it all together

Proprietary DNAcademy Valuation Worksheet



Characteristics

Comparables

Values
(Max, Retail, Wholesale)

Fill in the blanks and check the most appropriate answer from each item list.

1 Let's start by collecting information about the characteristics that define the value of the domain:

Domain Name: KARPOOL.COM

Top Level Domain (TLD): COM

Does the TLD Match the SLD: Yes No

Word Count: 1

Character Count: 7

Keyword Type: Generic Exact match
 Numeric Alphanumeric
 Brandable Acronym

Radio Test & Spelling: Passes Fails

Prepending: Yes No

Appending: Yes No

Plural Versus Singular: Singular Plural

Tense: Past Present Future

Word Placement: Correct Order Incorrect Order

Hyphens: Yes No

Hacks: Yes No

Brand Ability: Excellent Good Okay

Domain Age (Years): 21 or more 16 - 20
 11 - 15 6 - 10 5 or less

Usage Limitations: No limit Low limit
 Medium limit Very limited

Trend: Increasing Stable Decreasing

Website History: Clean Dirty

Search Volume Per Month: 58

Cost Per Click: φ

Trademarks, Exact Match: φ

Trademarks, Broad Match: φ

Companies Domain is Upgrade For: see crunchbase for "carpool"
 21 or more 11 - 20
 6 - 10 5 or less

2 Now that we have collected the characteristics that define the value of a domain name, provide comparable sales and automated valuation data:

Comparable Sale #1:
Domain: RIDESCOUT.COM Value: \$77,200 (2014)

Comparable Sale #2:
Domain: CAB24.COM Value: \$5,000 (2015)

Comparable Sale #3:
Domain: DRIVERS.CLUB Value: \$5,000 (2015)

Estibot Valuation: \$5,300

GoDaddy Valuation: \$1,598

Modified Rosener Equation: φ

Retail Valuation from a Friend/Colleague You Trust: SEEKRA REVIEW
(Ideally, you are a part of a DNA group; this question is not required)

<input type="checkbox"/> \$0	<input type="checkbox"/> \$10 - 300	<input type="checkbox"/> \$300 - 2,000
<input type="checkbox"/> \$2,000 - 5,000	<input type="checkbox"/> \$5,000 - 10,000	<input checked="" type="checkbox"/> \$10,000 - 20,000
<input type="checkbox"/> \$20,000 - 50,000	<input type="checkbox"/> \$50,000 - 100,000	<input type="checkbox"/> \$100,000 - 250,000
<input type="checkbox"/> \$250,000 - 500,000	<input type="checkbox"/> \$500,000 - 1,000,000	<input type="checkbox"/> \$1,000,000 or more

3 Finally, based on the characteristics (that can make or break a domain name) and your comparable valuations - provide your retail, maximum and wholesale valuations: AVG OF ABOVE = \$18,500

Your Retail Value:

<input type="checkbox"/> \$0	<input type="checkbox"/> \$10 - 300	<input type="checkbox"/> \$300 - 2,000
<input type="checkbox"/> \$2,000 - 5,000	<input type="checkbox"/> \$5,000 - 10,000	<input checked="" type="checkbox"/> \$10,000 - 20,000
<input type="checkbox"/> \$20,000 - 50,000	<input type="checkbox"/> \$50,000 - 100,000	<input type="checkbox"/> \$100,000 - 250,000
<input type="checkbox"/> \$250,000 - 500,000	<input type="checkbox"/> \$500,000 - 1,000,000	<input type="checkbox"/> \$1,000,000 or more

Your Maximum Value:

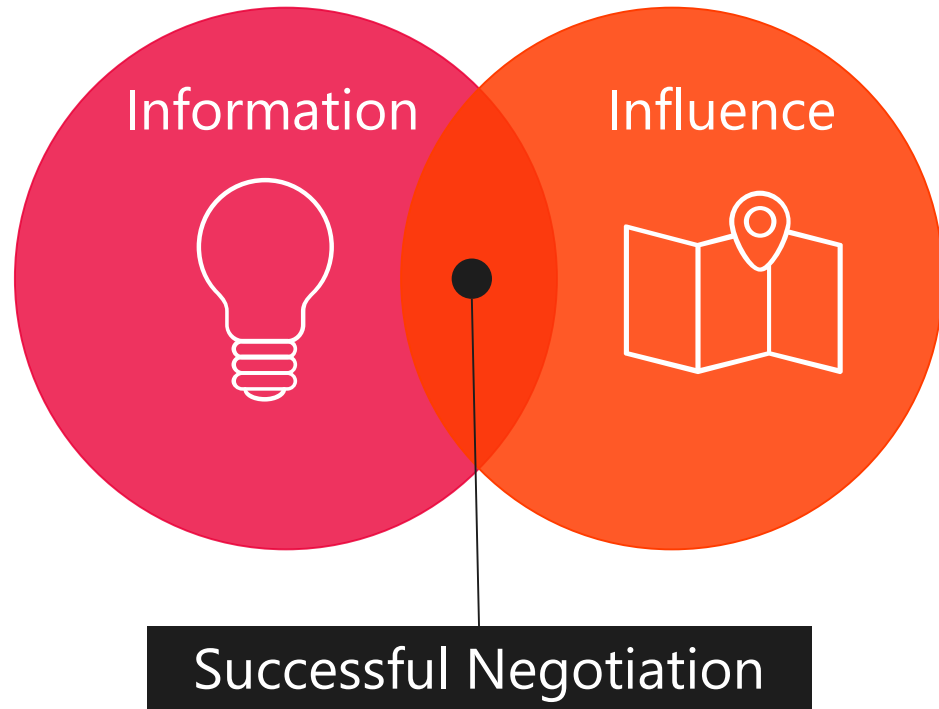
<input type="checkbox"/> \$0	<input type="checkbox"/> \$10 - 300	<input type="checkbox"/> \$300 - 2,000
<input type="checkbox"/> \$2,000 - 5,000	<input type="checkbox"/> \$5,000 - 10,000	<input type="checkbox"/> \$10,000 - 20,000
<input checked="" type="checkbox"/> \$20,000 - 50,000	<input type="checkbox"/> \$50,000 - 100,000	<input type="checkbox"/> \$100,000 - 250,000
<input type="checkbox"/> \$250,000 - 500,000	<input type="checkbox"/> \$500,000 - 1,000,000	<input type="checkbox"/> \$1,000,000 or more

Your Wholesale Value:

<input type="checkbox"/> \$0	<input type="checkbox"/> \$10 - 300	<input checked="" type="checkbox"/> \$300 - 2,000
<input type="checkbox"/> \$2,000 - 5,000	<input type="checkbox"/> \$5,000 - 10,000	<input type="checkbox"/> \$10,000 - 20,000
<input type="checkbox"/> \$20,000 - 50,000	<input type="checkbox"/> \$50,000 - 100,000	<input type="checkbox"/> \$100,000 - 250,000
<input type="checkbox"/> \$250,000 - 500,000	<input type="checkbox"/> \$500,000 - 1,000,000	<input type="checkbox"/> \$1,000,000 or more

TRY TO BUY FOR \$1K OR LESS

Negotiate from a position of data



DNACADEMY

SUCCESSFUL NEGOTIATIONS

Domain Name: Karpool.com
Domain Keyword Type: Brandable
Sale Type: Inbound

Turning a \$5,864 Profit on a Domain in 9 Weeks

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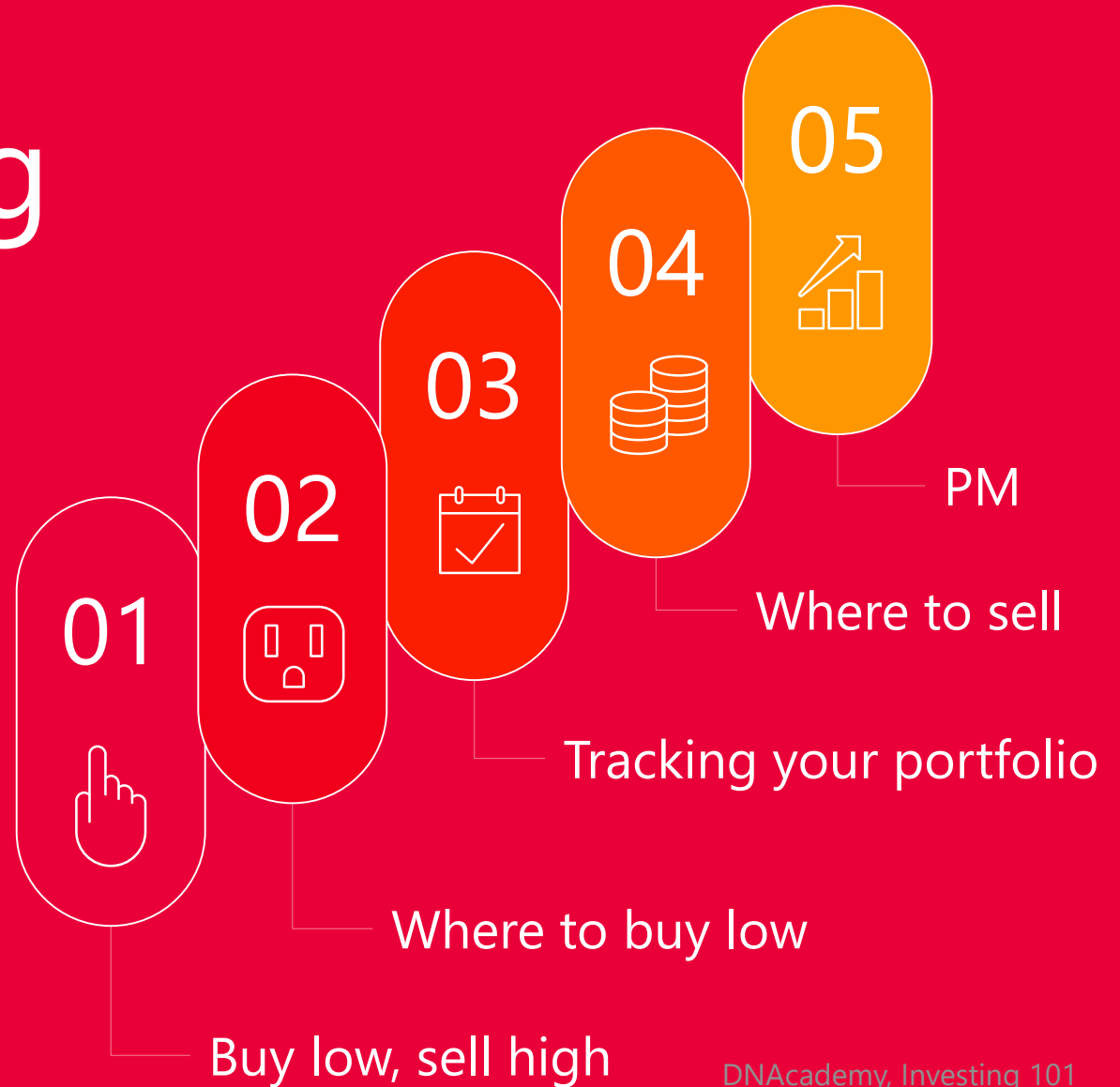
Updated: 08302018

DNAcademy.com/NamesCon101



Domain Investing 201

1:00-1:30 pm



Whiskey tasting 5pm for DNAcademy students

(Must be a current student)



Questions?



Michael Cyger

michael@dnacademy.com

Skype:mcyger