Making Money with Domains

The traditional model for making money from Internet domains involves buying and selling. Like traditional real estate, or any investment, the goal is to buy low and sell high. Other models for making money with domains have developed in recent years.

- Pay-per-click domain parking has been a very lucrative way to earn money from domain names. This report will emphasize this approach. The parking services described here provide free hosting and pay you every time someone clicks on a link. Who should you park your domains with? These services differ in important ways, and one may work better than another for you. Whether you are a domain professional or someone holding a single valuable name, parking with one of these services will turn your traffic into income.
- Affiliate programs allow you to sell a product on your domain and keep a percentage of the profit. You can do this from a site your build, or you can redirect a domain to an affiliate page created for you by the merchant who is hosting the offer.
- Developing your domain into a full-fledged website can sometimes make the most money. It is also the most time-intensive.

Domain Parking Services

The remainder of this eBook will focus on making money through domain parking. This is usually the easiest and most fool-proof way to make money

- Some services require that you own a minimum number of domains, others do not. Changes that you make appear immediately with some services, while others require prior approval. (All provide free hosting.) In some cases you can be paid when someone simply views your site (pay per impression), or when they click (pay per click). Some of these services will automatically optimize your domains based on what people search for. RPM (revenue per thousand impressions) is not the whole story. Some companies include live newsfeeds to keep people coming back to your site. Some services make it easy for you to use one-click landing pages, while others do not.
- Active Audience and Gold Key, try to keep your domain listed in search engines. Results have been mixed. Many other services result in domains dropping from search engines. Traffic from Asia does not monetize well on most of these sites. Sedo, Traffic Valet, and TrafficZ seem to do better than others with international traffic, especially European traffic and even some Asian Traffic.
- Stats are updated in near real-time on some services, while others update once a day.
- <u>Sedo</u>, <u>NameDrive</u> and <u>Fabulous</u> offer additional services, not just domain parking income.

Up Front Strategy

In the following sections I will discuss the major PPC parking services. To begin, these are recommendations that you might want to use if you are just getting started. These recommendations are updated regularly and can always be found at <u>ParkQuick.com</u>.

If you have at least 50 - 100 domains:

Apply at <u>Parked</u> for some of the best payouts. Apply for accounts at <u>Sedo</u> and <u>Active Audience</u> if you expect your domains to make over \$50 a week. Both services have great looking landing pages. <u>Sedo & SedoPro</u> are highly recommended for international domains. (<u>Contact us</u> to get an endorsement code for SedoPro - include your first and last name.) <u>Active Audience</u> may improve search engine performance of your domains if you use their nameservers, but income there is down a bit lately.

Consider $\underline{\text{Traffic Z}}$ for nice looking and flexible parking pages. Check out other pages of this site for more on the strengths and weaknesses of these services.

If you have less than 50 domains:

Park your domains at <u>Sedo</u> and/or <u>Parked</u> for almost instant results. Apply for a <u>Gold Key</u> account and try some domains there too. Some domains do dramatically better at Gold Key. As mentioned above. Sedo is best for International traffic. Sedo and NameDrive use Google/AdWords ads, while Gold Key uses Yahoo/Overture. Gold Key can provide search engine traffic, and their parking pages look better. Their site takes a while to learn.

Yahoo and Google Push for Conversions

Ad we go to press there are signs all around that Yahoo and Google are pressuring parking services to delete the accounts of poorly performing domain owners. <u>Parked</u> took the lead deleting suspected click-fraud accounts some time back, and their numbers seem to be improving for accounts remaining there (so much so that we are now recommending them highly). The general trend in PPC income seems lower for most services. The long term implications of these trends are unclear. Culling some of the "bad apples" certainly may be a good thing. Yahoo and Google make a lot of money off domain parking page ads, and it is in their best interests for the current PPC system to continue. Advertisers want to sell their ads to people who will not only visit their site but will also buy their product or service. Conversion tracking software is more widely available than ever before, and some advertisers are quick to equate traffic that doesn't convert with click fraud.

Some <u>newsletter</u> readers have asked whether they can send paid traffic to their pages. Most services forbid paid or incentivised traffic because it generally does not convert well. Some sites (<u>Parked</u> is one example) do allow you to buy AdWords or Overture ads and send that traffic to your site. This is rarely cost-effective, however. Unless you are very careful you will end up paying more for the ads than you will make off the parking. Second and third tier paid traffic is more likely to include automated bots or other clicks that will not convert, and you are likely to be banned from any of these services if you buy that lower quality traffic.

An Alphabetical Overview of the Domain Services



ActiveAudience is a second generation domain parking service from the creators of <u>Gold Key</u>. This newer service appears to target owners of larger portfolios and domain professionals with higher-traffic domains. Gold Key and BuyDomains merged some time back to become Name Media. <u>ActiveAudience</u> appears to be built upon the experience of professionals who were involved in both projects.

Beginning in March 2007 they now offer a choice between one-click and two-click pages on all sites. Their switch to a Google feed allows this to happen, and they are hoping that it also allows higher payouts. New features include:

- The ability to set domain names to 1-click or 2-click landers
- The ability to place your own custom logo on the top of your sites
- The ability to upload your own main photo image for custom pages
- Improved ability to test keywords in rotation for auto-optimization
- The ability to customize sites with up to 21 of your own hand-selected keywords.

<u>ActiveAudience</u> offers the option of rotating parking pages which auto-optimize your revenue (similar in this respect to Domain Sponsor). The standard landing pages are very professional, with targeted graphics and links. One-click landers appear when Yahoo/Overture determines that your domain deserves them. These pages are more stark, so that extra elements don't detract from someone clicking on links.

Don't bother with domains that violate someone's trademark. They are pretty strict about not accepting these domains.

We've been testing <u>ActiveAudience</u> and we see some things we really like. The graphics are crisper and many of the pages look more professional than Gold Key pages. Gold Key style pages actually rotate along with these newer pages and more generic (but still attractive) text pages. You have complete control over color schemes and graphic layouts (and whether layouts rotate to maximize cash). Initial income appears to be at least on par with Gold key, and the service is really designed to improve your income over time. We now recommend this service for people who own more than 50-100 domains. Others can receive many of the benefits by signing-up with <u>Gold Key</u>.

An example of an ActiveAudience domain is <u>GrandParentPlace.com</u>.





Real Destinations. Real Revenues.

Domain Hop is a parking program from Kanoodle.

Because Kanoodle sells their own targeted ads (in direct competition with Google and Overture) they don't split the profits with anyone. They pay well for sites in categories where they have ad inventory.

<u>Domain Hop</u> initially pays the highest of a \$4 rpm (4 cents for every 10 visitors who view your site) or their pay-per-click rate when a person clicks on a link. They will quit paying the \$4 rpm if your site falls under \$2 rpm over two weeks on its own.

<u>Domain Hop</u> was started with a model where they included newsfeeds on your site. This seems to have gond by the wayside, the their current landing pages resemble Sedo's "lite" pages or other companies' pages.

There is no minimum number of domains required to park a name at Domain Hop. Give them a try - you may find better income with them than with other services. An example of a <u>Domain Hop</u> destination site is <u>HealthMinds.com</u>.



Real Destinations. Real Revenues.

Click for Domain Hop



Domain Sponsor has been highly praised by most domain professionals. Their system "automatically optimizes" your domains. Domain Sponsor sends out checks more quickly and reliably than some other services. PayPal payments are now available too. They have recently improved their Online instructions, and their site is becoming easier to use.

<u>Domain Sponsor</u> was one of the first PPC parking services that moved to a hybrid pay-per-click / pay-for-performance model. They no longer pay the same amount per click on a keyword - rather they attempt to analyze the "quality" of your traffic. This appears to mean that they want to know if visitors really buy stuff from the sites that they click through to.

As of 2007 <u>Domain Sponsor</u> has a new system that allows you to create a site with custom graphics. You can also set whether the domain rotates between different landing pages or gives peope the same page every time. These features were not working perfectly as of 1/20/07.

Domain Sponsor's "auto optimization" process starts with semantically constructed generic search page that keeps track of what people search for and click on. These links eventually migrate to the main page. The process works quickest for high-traffic domains. You also have the ability to add or remove keywords. The have upgraded their processes several times. It is now possible to get graphic-rich pages that will rotate with the more generic pages for the system to see which pages earn more revenue.

The stats that I get from <u>Domain Sponsor</u> always show fewer visitors than other services show for the same domain. Payouts are competitive, and often better than these other services. <u>Digital-Daycare.com</u> is an example of a Domain Sponsor domain.





Dotzup is a fairly selective PPC parking service that creates custom landers for domains that are expected to generate high traffic. They also have automated systems to handle other high quality domains, but they do not work with adult domains, trademark or typo-trademark domains, or even astrology domains, domains "derogatory to a specific race or religion", drug related domains, and gambling/casino domains.

<u>Dotzup</u> has a program where they will guarantee that they will beat your current income for a given domain. It appears that these domains are evaluated on a case-by-case basis, but it is a worry-free way to try this service with some of your better-earning domains.

We are just beginning to test <u>Dotzup</u> and we don't have any revenue figures at this time. An example of a <u>Dotzup</u> domain is <u>YogaMedicine.com</u>.



Sign-up to try Dotzup



Fabulous is a parking service with some fabulous features. They are also a domain registrar, and they have tools to help you manage your entire domain portfolio - even those domains registered elsewhere. Their parking tools are some of the most flexible in the industry, allowing you to park using Roar.com's pay-per-click service or Dark Blue's affiliate program. You can create custom sites with their "Dynamic Generator."

<u>Fabulous</u> requires that you own at least 50 domains. Their portfolio tools are excellent and highly recommended. Their parking and site creation tools are not quite as user-friendly. Their Fabulous 5.0 service is designed for domain professionals. It is reported to work well with high quality keyword domains. Based in Australia, <u>Fabulous</u> also does better than most for gambling-related domains.

<u>Fabulous</u> is also a registry with good prices on domain names; and they <u>sell</u> <u>premuim domains</u> on the secondary market.

An example of a Fabulous domain is <u>Classof98.com</u> (but their domains can look much better than this one).





Gold Key is a domain parking service that uses PPC links from Google. <u>Gold Key</u> allows a choice of landing pages, including choosing 1-click landers (where you get paid for the very first click). They added graphic templates in July 2005 that make the landing pages look more like real websites. Their sister site <u>Active Audience</u> is open only to larger domain holders. Both sites now allow:

- The ability to set domain names to 1-click or 2-click landers
- The ability to place your own custom logo on the top of your sites
- The ability to upload your own main photo image for custom pages
- Improved ability to test keywords in rotation for auto-optimization
- The ability to customize sites with up to 21 of your own hand-selected

keywords.

Pure type-in keyword domains and domains with search engine traffic seem to work best here. In some cases you can more than double your income on these high quality domains. Some people make a lot of money here. There are special tools available for high-traffic domain owners. (Mediocre names may do better elsewhere, and names with trademark issues may be rejected.)

Stats are very detailed. <u>Gold Key</u> and <u>Active Audience</u> domains seem to do better with search engines than domains parked with other services. This is especially true if you park your domains by using their nameservers (rather than by redirecting the URL). In both cases the developers worked to make the domains look like real websites to search engine robots.

An example of a <u>Gold Key</u> domain is <u>recoveryhealth.com</u>.





Do you want to put your domains on auto-pilot? <u>iMonetize</u> is a service that claims to test your domains at many of the services listed here. They consider themselves to be a "meta-ppc provider" - testing your domains on a daily basis and parking them with the service that is paying the best on that particular day. After their testing is complete your domain may be parked with Domain Sponsor on Mondays and Active Audience on Tuesdays, for example.

Is this really possible? We've started testing their service to see. In theory this could work well especially on high-traffic domains. Low traffic domains don't seem to generate enough traffic for comparisons to be made.

<u>iMonetize</u> takes a cut of between 5% and 15% - but they also negotiate deals that may be better than what you would otherwise get. You also have access to programs that might not othwewise accept you. In theory you could do better with them even after they take a cut, but every middle-man does mean a little less money for you. One strategy to consider would be to park domains with them that get a lot of traffic but are not bringing in the income that you think they should. If income goes up - then keep them there.



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