

ONLINE, ON TARGET

*Securing a High-Performance Online
Address for Your Business*



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Introduction

This brief is designed to review the basics about acquiring a great domain for your online business.

In this paper we will review:

- The changing online landscape: what are the latest trends affecting online business opportunity?
- The basic differences between premium and primary registration domains
- The value proposition: what makes premium domains more valuable than primary registration domains?
- Real-life domain success stories: what have these entrepreneurs discovered that has made their businesses thrive?

The Changing Online Landscape

The growth in the base of Internet users continues, as does the domain name land rush. Verisign's most recent Domain Name Industry Brief cited 33 million new domain registrations in 2007.

Year-over-year growth in new domain registrations topped 28%, with tremendous growth seen in registrations for country-specific domain name extensions—nearly 400% for .cn (China)—and little slowing of momentum is predicted.

What is the common wisdom about the future of Internet real estate? Media outlets like the New York Times and CNN are now focusing on the notion of domains as commodities, noting stunning growth in the premium domain marketplace and rising domain name prices—even in the face of an economic downturn.

And mainstream business is recognizing that great domain names—like prime real estate—are valuable, and scarce, commodities which underpin online success.

Why is there such interest in acquiring domain assets?

Smart investors are simply following the money.

According to researchers at USC's Annenberg Center for the Digital Future: 2 out of 3 Internet users made an online purchase in 2007. Retail sales in 2007 grew at only 4%, while e-tail sales grew at 19%. Projections by eMarketer call for online commerce to grow steadily through 2011, even while traditional retail struggles.

USC's research demonstrates that major barriers to e-tail success noted in 2000 are largely moot. Previously consumers worried about trusting unknown merchants, products being damaged during delivery, and buying goods and services without involving a live human being in the process; no more—in fact eMarketer posits that the ability to buy *without* involving a live human being may be an advantage for e-tailers.

The demonstrated long-term success of e-tail as a growth channel has driven demand for targeted, memorable web addresses.

Not All Domains Are Equal

The differences between a premium domain and a primary registration

So how does the business owner or entrepreneur settle on a great domain name for their business? Should you search for an unregistered name—likely spending hours trying to find an available moniker? Or is it worth investing in a domain name that is already owned, but fits your vision for the business?

As you consider the options you may be wondering if there are material differences between the premium domain name and the primary registration.

There is the obvious difference: a primary registration is a domain which is being registered for the first time; premium domain names have been previously registered. Premium domains may, or may not, have had a website developed with the name.

Premium domains which have had websites in the past may enjoy legacy traffic and be indexed by search engines. Positioning with search engines is critical; some search engine optimization pundits believe in a “Google Sandbox” where newer domains are in a de facto “hold” position and do not achieve top position on key terms for a certain period of time.

This age gives authority to the premium domain and may result in better page rank which negatively affects newly-registered domains, affecting their ability to achieve top placement in search engines.

Search engine algorithms appear to favor domain names with some age; this age gives authority to the domain and may result in better page rank.

Direct navigation—where someone is typing in your domain name directly into the search bar, and high ranking on key terms generate targeted, “free” traffic which has a high likelihood of converting into sales.

So, why are premium domains more expensive than primary registration domains?

Part of the cost equation is simply quality, scarcity and memorability.

Primary registrations can cost as little as \$8, but you may already have found that many of the choicest names are already registered.

It's nearly impossible to find unregistered one-word generic, or two- or three-character domains. Names like vodka.com--which sold for \$3 million--or ui.com--which recently sold for \$275,000, are examples of the premium these shorter names command. These shorter generics are rare and buyers are willing to pay hefty sums to acquire them.

Why are buyers willing to pay these sums? The answer is that shorter domain names are memorable and marketable, and can help to secure top placement in search engines.

Our customers have validated the value of a premium domain purchase many times over.

One example of the direct bottom-line lift that the right domain can provide comes from Keith Paulin at HotelInternetMarketing.com:

“Acquiring the right URL was critical to our success...revenues have tripled and online leads represent over half of our revenue conversion.”

What would tripling revenues mean to your business?

Michael Bevens of Photobot.com recently told us:

“The most important lesson I have learned as a business person is to keep the message to the customer simple and consistent. Your brand and domain name should clearly communicate the value of your product or service.”

If you have a current website, does the domain name clearly communicate messaging about your products?

Customers also tell us that their premium domain investment is cost-effective too.

Braden Pollock of LegalBrandMarketing.com says:

“Never underestimate the power of the internet. I've reallocated a significant portion of my advertising budget to purchasing domain names. I find it much more cost-effective in the long term by purchasing domains that provide ongoing direct navigation traffic. The traffic is free and the domains appreciate in value.”

Finding That Great Domain

How can you find a great domain for your business? The domain experts at BuyDomains have helped thousands of small businesses secure powerful domains which drive real success. Call seven days a week for your free domain consultation: 877-789-NAME. We can find a domain from our portfolio of over 800,000 domains, or we can negotiate anonymously on your behalf to secure any domain name you desire.