Domain Name Secondary Market

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CEO Sedo

ICANN, Lisboa 2007
What is the Domain Secondary Market?

- Registered Domains
- Expired Domains
- Domains for resale
- Portfolio sales
- Domain Parking
Evolutionary Theory of Domains

Primary

Registration

Expiring Domains

Secondary

Acquisitions

Portfolio

Consolidation

Secondary

Foundation

Growth

Take-Off

Landing

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Are Sales Values Increasing?
Volume of Sales

Monthly Number of Sales

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Are Sales Values Increasing?
Volume of Sales

Monthly Sales Volume

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Are Sales Values Increasing?  
Sales by Price Range
Are Sales Values Increasing?  
Market Changes

Market Change Between 2004 and 2005

+75%
Where are Sales Coming From? By Volume

Source of 5k+ Reported Sales - All Years

- DROP CATCHING: 18%
- MARKETPLACES: 48%
- OTHER: 4%
- PVT SALE: 30%
Where are Sales Coming From? Detailed View

Detailed Source of 5K+ Reported Sales - All Years

- SEDO: 45%
- GREATDOMAINS: 18%
- NAMEWINNER: 15%
- SNAPNAMES: 9%
- ENOM: 6%
- POOL: 5%
- AFTERNIC: 2%
- DOMAIN SYS: 0%
ccTLD Domain Sales

- Chat.de $470,848
- Travel.tv $65,000
- Domain.co.uk $55,783
- Hotels.jp $40,000
- Blog.ca $20,201
- Food.us $20,000
What is Domain Parking?
What is Domain Parking

- Monetize unused domains’ traffic through advertisements
  - Newly registered domains
  - Expiring Domains
  - Domains without hosting
Parking Analytics

Visitor Origin
Time Period: (since inception)

Spain  41.5%
Germany  40.0%
Portugal  2.8%
France  1.5%

Keyword Details
Time Period: (since inception)

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<tr>
<th>Optimized Keyword</th>
<th>Language</th>
<th>Queries</th>
<th>Clicks</th>
<th>CTR</th>
<th>EPC</th>
<th>RPM</th>
<th>Earnings</th>
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<td>37.42 €</td>
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<table>
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Primary and Secondary Market are Merging

- Ancillary registrations and hosting
- Improves customer experience
- Creates customer loyalty
Registry Benefits

- Domain investing benefits registries
- Maintain profitability into the future
- Ensure success of the TLD
- Secure market efficiency
Following: Domain Valuation
Valuation Factors

- TLD
- Length
- Traffic / Visitor Numbers
- PPC Earnings
- Internet affinity
- Easyness to remember
- Comparable domain names
- Typing error sensitivity
- Advertising and branding potential
- Trademarks
- Search engine friendliness
- Potential
- Trends
- Trademarks
- Motivation of Buyer / Seller
Domains vs. Old-Economy-Assets

- Real estate
- Stocks
- Billboards
- Radio frequencies
- Telephone numbers
- License plates
What we can learn from stocks (III)

- Dividend Stocks
- Takeover Targets
- Stars
- Growth Stocks
What we can learn from stocks (III)

- Dividend Stocks: P/E: 10
- Takeover Targets: P/E: 5-10
- Stars: P/E: 10-30
- Growth Stocks: P/E: 30-infinite
What we can learn from stocks (III)

- Typos (youtune.com)
- Junk (myjunkyard.net)
- High-Traffic Brand Names (games.com)
- Brand Names (vodka.com)

Traffic

Brand/Resale Value

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What we can learn from stocks (III)

Selling Domains is part of every strategy!
New gTLDs / Quasi-gTLDs / ccTLDs

**Buy**
- .info
- .us
- IDNs
- ccTLDs (like .de)

**Hold**
- .eu (down-graded!)
- .com, .net

**Sell**
- .biz
- .cc
- .ws
- .tv
Future Trends in the Secondary Market

- Diversification
- Internationalization
- Lower Transaction Costs
- Higher Sophistication
THANK YOU !