

PersianRugs.com – What's In a Name?

“We acquired one of the oldest and most valuable domains in the industry, PersianRugs.com, registered in 1995. It is currently the world's most valuable premium Iranian domain name after Iran.com. Persian Rugs are one of the largest exports of Iran. These rugs have attained an elite status as the best in the world. Some private appraisal services have evaluated the domain alone to be worth over \$500,000 dollars.”

Excited to present this interview with Yashar Zhalehdoust, the owner of PersianRugs.com.
By Shirin Shahin, Founder of TheSaffronLife.com, June 2014

1. What's in a name?

Millions and billions! There are millions of dollars in an unestablished name and billions in an established one, which have become popular brands. Many people don't realize this.

2. What are domains?

I look at it as online real estate. A domain is the name of a website, which acts like a pointer to a specific IP address. Similar to a physical mailing address, but in the online world. Some people have actually traded in domain names for houses. Some were even able to purchase an island by only selling a couple premium domain names.

There are individuals who register over 100,000 domains and their domain portfolio (not to be confused with website portfolio) is easily worth over \$200-300 million dollars.

3. Where do you buy domains from?

There are many registrars where you can purchase a domain such as GoDaddy, eNom, Network Solutions, and others.

4. What are premium domains?

Everyone has a different definition for premium domains because there is no exact value. However, premium domains are usually common-word .coms that are popular in their number of searches and have a high CPC (Cost Per Click). These types add a lot of value to the name.

It is unlikely to find a premium domain available searching through Registrars because they have either been registered many years ago, or if they have been expired or dropped they are usually snatched by big companies and put into an auction.

For example, if a domain expires, it goes into a few stages (renewal grace period, redemption period, pending-delete period) before it is available to re-register. It is during this period where a few popular companies use sophisticated algorithms to snatch the domains. Once snatched by one of the companies it is listed for an auction, and that's if the domain was worth of value (aka premium domains). Some of the larger registrars send expired domains to their own auction websites so that the domains do not expire in the normal way.

5. Who are “domainers”?

These are people who buy and sell domains. They are also called domain speculators. The most popular domainers are based in the US and the most popular and valuable names are owned by Americans.

6. Who are a few popular figures in the domain industry?

There are quite a few people who have built fortunes via domains! Just to name a few:

- **Rick Latona**, who owns Iran.com and several other country names. He purchased Iran.com in 2007 for \$400,000 which is currently estimated to be worth over a million dollars.
- **Kevin Ham**, who owns most of the premium names for .cm (abbreviation for the country code Cameroon) and generates millions from people's mistakes and typos.
- **Frank Schilling**, who purchased most of his valuable names in 2002 when people were fleeing the Internet market and is one of the largest generic domain-name investors in the world. He owns over 320,000 domains. He also runs Uniregistry which is the registry for some of the new gTLDs. (We get into that more below!).
- **Rick Schwartz** (the domain king) owns thousands of domains and sold some expensive domains (i.e.: candy.com for \$3 Million dollars).

7. What is domain flipping and is it a profitable business?

It is buying and selling a domain at a profit within a time period. Some think it's easy money. However, there is no such thing as easy money. There are only few who have made top dollars. However, as a general rule, domainers purchase a domain at 1/10th of its value. In other words a 10x profit makes up for the years the domain hasn't gone for sale or is simply parked.

8. What is a Top Level Domain and how many types are there?

It is basically the extension of what comes after the domain name. For example: .com, .net, .org are all Top Level Domains also abbreviated as TLD. Excluding the “ccIDN” and “Infrastructure top-level domain” we can basically divide the TLD's into 3 main categories:

- a. **Generic** (gTLD): consists of .com, .net, .org and more.

b. **Sponsored** (sTLD): consists of: .gov, .edu, .mobi, .asia and more.

c. **Country Code** (ccTLD): consists of: .ir, .eu, .uk, .in, .cn and more.

At most country level markets, the local ccTLD is more popular than .com. It is easier to be a domainer in .com because it is a global market. Being a domainer at a country level (in a ccTLD) is harder because it requires special knowledge of the local market.

9. What are the proposed top-level domains?

The number of new gTLD's are exponentially expanding and the ICANN organization (Internet Corporation for Assigned Names and Numbers) began accepting applications for new gTLDs in 2012. The initial price to apply for a different extension is \$185,000. Over 250 have been delegated so far and they predict that thousands of extensions will be available in a few years. In other words you will soon see domains looking like this: www.example.anything. A few are out already such as: .buy, .bike, .blog and many others are open for pre-registration.

10. How can you purchase the new gTLD's coming out soon?

It starts with a pre-registration period. But it's not that simple and most new TLD's have different phases when introduced. For example the ".asia" TLD had a Pre-Sunrise, Sunrise 1, Sunrise 2, Sunrise 3 period where individual governments or authorized bodies could register the reserved names. After that, holders of registered marks (trademark holders) were able to register their marks. Following this, there is the Quiet period, where there is no activity.

Then comes the Landrush period, which gives a chance for parties who are interested in a specific domain to apply. The Auction period comes next, where parties who apply for the same name either in the Sunrise period or Landrush must compete against each other.

After all that, the final stage is the "Go Live" period where the rest of the domains become available to the general public and is first come-first serve.

11. Can domains alone make money or does it have to be associated with a website?

Yes they can, by simply parking them or forwarding them to an affiliate site.

12. How would domains alone generate traffic?

Many domains receive lots of traffic via type-in-traffic, meaning the user will simply type the name in their browser. Most smartphones either have a keyboard .com or automatically redirect the domain name to the .com website hence why the .coms are normally the most valuable ones.

13. Anything you should be aware before purchasing a domain from a previous owner?

Yes, be sure to do a basic background check. For example go to the “Internet Archive” and see how the owner used the domain. You can also Google the domain name to get more information. You want to take a best guess around whether or not the domain was associated with a website or penalized by Google and/or another major search engine. You want to make sure the domain is clean and clear of any penalties.

14. What are Google penalties?

Website’s search ranking penalties, given by Google. They are usually triggered by black-hat SEO techniques, which are basically techniques where sites engage in practices that are against the Webmaster guidelines. These techniques are usually used to trick the system and algorithm to outrank others for competitive searches and keywords.

15. How do domain auctions work?

Auctions have a time frame where people join and participate. It then becomes a private auction where people start bidding. There is usually a time frame, normally 3 days and if anyone places a higher bid at the very last minute, the auction extends to 3 minutes. Every counter offer extends the auction by a couple minutes (usually to 3 minutes) until one person outbids everyone else.

16. Do you trade domains?

Sometimes. Domains are similar to stocks. An investment, but with much lower liquidity. As an investment the value should go up with time (value stock), and it should also generate residual income through ads (stock dividends). I browse and speculate on a few names once in a while. I then may participate in auctions for ones that draw my interest, usually premium names.

17. How long have you been in the business?

For almost over 10 years.

18. What are the most expensive domains sold in recent years?

- **Insurance.com** sold for \$35.6 million dollars in 2010.
- **VacationRentals.com** sold for \$35 million dollars in 2007.
- **PrivateJet.com** sold for \$30.1 million in 2012.

19. What are the most expensive and valuable Iranian domains?



**Iran.com,
PersianRugs.com,
Persian.com,**

in order of value.

20. And you own, PersianRugs.com. How much did the second most valuable Iranian domain cost you?

It was a private transaction in which only a portion of the deal and value was paid in cash. I re-purchased the name from the same person I lost the auction to only 4 months prior.

21. What are your plans with this valuable name?

For now, I plan to build an online directory of the Persian Rug businesses. But my long-term goal will be to increase online sales of Persian Rugs worldwide.

22. How do you evaluate a domain's worth?

There are several theories on how to evaluate a domain name's value. But the most popular one factors in the CPC (Cost Per Click) for the "exact match" and the number of monthly searches for the same specific term.

For example: Based on Google Adwords, the term "Persian Rugs" is searched over 18,100 times/month with a Cost Per Click (CPC) of \$2.73 dollars resulting in a potential value of \$49,413/month.

23. Any interesting facts about domains?

Yes, did you know they lease out domains? Meaning you can also rent a domain. It's similar to renting out an apartment. They even let you finance the purchase.

For example, I know that CarpetCleaning.com rejected an \$800,000 offer. As we speak, it is for sale for \$3,000,000 and they even currently offer financing of \$600K down and then \$240K/mo for 10 months.

24. Any other advice or tips?

There are many useless domains that may seem like good names to register. However, just because you like the name or think it is a cool name doesn't mean it's worth the same for others and potential buyers.

Also, most good and valuable names are already registered by domainers. So if it's available for the standard registration fee of \$9.99 that's a pretty good indicator that it is initially worth that much. What you do with the name then determines the value.



Yashar (King of Persian Rugs):

Yashar Zhalehdoust has a Bachelor and Masters degree in Electrical Engineering from Boston University and an MBA. He has been involved in the Internet business since college and with over a decade of experience he now plans to focus his expertise to the online rug business via PersianWebmaster.com. He also manages a private blog on rugs at PersianRugs.org.