

Buying A Website Is Easy.... But Buying The RIGHT Website Is Your Goal!

This is a transcript of a Skype conversation between Ed Dale and Jeffrey Kinseth on the 29th of September 2007. Jeffrey contacted Ed to explore and discuss the key points to consider when buying websites and the conversation covers a wide range of topics related to the research and due diligence required when selecting websites to buy. Some of the sites discussed have been deleted from the transcript while the general market (or niche) of the sites being discussed have been preserved where possible.

Jeffrey Kinseth 29/09/07 11:15 PM

Hi Ed. This is Jeffrey Kinseth. I would like to talk to you on Skype.

I have a few web sites that I would like to possibly make an offer on. One site looks very good and maybe we can joint venture on!

Ed Dale 10:55 PM

I'm on holiday at the moment with family - have you done a full due diligence (part 15 style) on the properties?

(Note - **Part 15 is the killer due diligence check list I use for buying and selling sites - It's part of the Dominiche course**)

Jeffrey Kinseth 10:55 PM

I am in process of getting all that info for you.

What do you think of the sites initially?

I have a bunch of my own sites. I would like to renovate them and sell them.

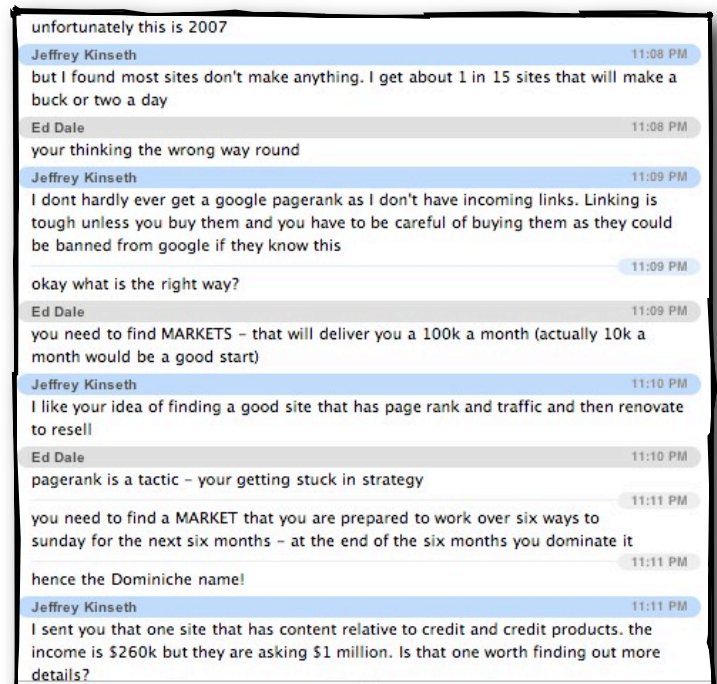
I have mainly google adsense sites. **[A Google Adsense site is a website created around a topic usually containing many articles around the theme focus of the website purely to attract website traffic that may click on Google Ads where the Ad revenue is shared by Google with the website owner - Ed]**

I have had some success with MSN (Microsoft Search Engine) in getting top listings.

Google is a pain to get high rank.

I am on the first page in MSN for "gXXXXX bXXXXXX"

[Note - I have edited out the niche topics - to protect Jeff]



I get about \$10 per day on adsense on that one keyword.

I make money overall but I am kind of a nickel and dime guy and would like to move to a high level income.

I have about 4,800 visitors per month on about 20 sites.

I have sold some Clickbank products [**Clickbank is a third party processor allowing people to make digital products available to sell**] etc. but would like to buy a site that makes a good monthly income and also like to buy and sell sites for immediate profits like you outlined.

Ed Dale 11:00 PM

I'm not much of an Adsense guy myself.

Jeffrey Kinseth 11:00 PM

I will send you my sites.

Ed Dale 11:00 PM

Are all the sites in the same niche?

Jeffrey Kinseth 11:00 PM

No, I only make like \$500 per month on Adsense so not getting rich, but I don't spend any money on advertising for that.

Ed Dale 11:01 PM

So do you want to sell those sites off and start again or build them up?

Jeffrey Kinseth 11:02 PM

Not sure?

Jeffrey Kinseth 11:02 PM

Here is one site I have...very generic. www.XXXXX.com

I get about 150 uniques per day with no advertising!

Ed Dale 11:03 PM

Tough crowd the XXXXXX crew!

It seems to me that you need to step back to take a few steps forward.

The image shows a screenshot of a website titled "Green Garden Tips" with a sub-header "Spring into summer". The page content includes text about gardening tips and a sidebar with "Gardening Tips". An AdSense advertisement is overlaid on the right side of the page, featuring the text: "Roses, Daisies, and more Local florists. Same day delivery Freshest flowers from \$10.99 www.seedsandsaplings.com". A green arrow points from the text "Place ads on your site" below the ad to the ad itself.

Jeffrey Kinseth 11:04 PM

I have about \$50k of funds to invest. Of course I like your option technique [from the Dominiche course on buying and selling websites] and wouldn't have to spend the money upfront.

Ed Dale 11:05 PM

You have a whole bunch of little stuff working ok for you and in this day and age. *in my oh so humble opinion*, you need to focus on dominating a single market.

Jeffrey Kinseth 11:06 PM

Back then it was easy when Overture was .01 cent and Google wasn't even around yet.

Ed Dale 11:06 PM

That was then this is now.

I made a stack with a shotgun approach.

Jeffrey Kinseth 11:07 PM

Shotgun approach?

Ed Dale 11:07 PM

Lots of little sites like you are doing

It's too hard to do now.....

Jeffrey Kinseth 11:07 PM

Well I thought about six months ago if I made say simple 5 or 6 page sites and made like several hundred of them and each one made a few bucks per day I could make \$500 per day or so.



Ed Dale 11:08 PM

You will always be knocked off by someone who is focusing on the one market - the one niche.

That was a great 2003 strategy....unfortunately this is 2007.

Jeffrey Kinseth 11:08 PM

But I found most sites don't make anything. I get about 1 in 15 sites that will make a buck or two a day!

Ed Dale 11:08 PM

You're thinking the wrong way round.

Jeffrey Kinseth 11:09 PM

I don't hardly ever get a Google page-rank [The PageRank system is used by Google to help determine a page's relevance or importance] as I don't have incoming links. Linking is tough unless you buy them and you have to be careful of buying them as they could be banned from Google if they know this.



Okay what is the right way?

Ed Dale 11:09 PM

You need to find MARKETS - that will deliver you a 100k a month (actually 10k a month would be a good start).

Jeffrey Kinseth 11:10 PM

I like your idea of finding a good site that has page rank and traffic and then renovate to re-sell.

Ed Dale 11:10 PM

Page-rank is a tactic - you're getting stuck in strategy.

You need to find a MARKET that you are prepared to work over six ways to Sunday for the next six months - at the end of the six months you dominate it!

Hence the name Dominiche!

Jeffrey Kinseth 11:11 PM

I sent you that one site that has content relative to credit and credit products. The income is \$260k but they are asking \$1 million. Is that one worth finding out more details?

I like the dog health field, but not sure if that really makes the money?

Ed Dale 11:12 PM

Now because you have some capital you could kick start your way into the whole thing by buying some cash-flow - the market is so cheap right now!

Jeffrey Kinseth 11:12 PM

The credit field is competitive.

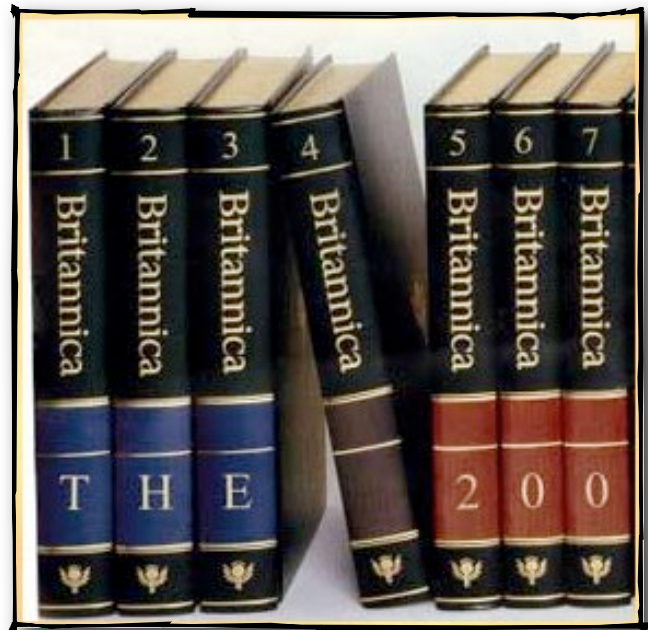
Ed Dale 11:12 PM

All the big ones are - there are no secrets when it comes to profits!!!

Jeffrey Kinseth 11:13 PM

I want something to buy that I can make initially around \$10k per month and then build it up. How long did it take you to produce your Dominiche materials? Man that must have taken a lot of time.

(Dominiche The Course was built up over six months - i wanted it to be the encyclopedia britannica for buying and selling web sites!)



On that credit website, they are asking \$1million I will find out all the details (as you stated in your Dominiche course). Would that one interest you on a joint venture?

Ed Dale 11:15 PM

Ok - lets take a step back - first up you choose a market based on your skill level.

Jeffrey Kinseth 11:15 PM

OK

But I don't consider myself an expert on anything. LOL

Ed Dale 11:15 PM

If you have never picked up a bat - it's crazy to try and play major league baseball.

Jeffrey Kinseth 11:16 PM

Right. So then where do I start?

Ed Dale 11:16 PM

Being an expert on the Niche/market is irrelevant (and easy to obtain - remember the golden nuggets section in the Dominiche course).



Jeffrey Kinseth 11:17 PM

I purchased a course on making money with membership sites. Couldn't I find a membership site to buy and then hire writers to keep up with the content?

Ed Dale 11:17 PM

You always start at the start and that's market research.

Jeffrey Kinseth 11:17 PM

I do have an interest in health as I am kind of a health nut!

Ed Dale 11:19 PM

Once you do the detailed market research like we show you how to do in the Dominiche course (there is also an awesome section on it in the bonus DVD) you can pick a market to get into based on your expertise as an INTERNET MARKETER - that's where your skill level comes into play.

Jeffrey Kinseth 11:19 PM

I sent you two sites that person is selling. One is a niche nutritional supplement. They have income of \$30k and 7,000 customers and are asking \$150k

Ed Dale 11:20 PM

If you're going to go into Dog Health/Make Money From Home/ niches - They're MAJOR league - you better have major league Internet marketing skills...BUT

If you go into little micro-niches and dominate those - you don't need anywhere near the same chops - you can cut your teeth - totally dominate - make a bunch of mistakes - learn from them and graduate through the minors - to the big leagues - BTW I think every niche is a \$10K a month niche - you just need to know how to unlock the key....

Jeffrey Kinseth 11:22 PM

So on those sites I sent you last week...would those interest you? or are you saying I need to do all the research first before you decide if it interest you for a joint venture?

Ed Dale 11:23 PM

Buying your way in is super smart - as long as you have picked your level as an Internet Marketer - You can get in - buy something that is making profits and then use your Internet Marketing Chops to really blow it out

Jeffrey Kinseth 11:24 PM

That is what I want. To buy a site that makes money then use my marketing skills to move it to a higher level.

The seller didn't show me the actual sites yet (that is smart as you suggested to never give the actual site url).

Based on income, customers, work involved.....is the asking price initially too high? That niche health product looks interesting to me.

Ed Dale 11:26 PM

The very first question is OK - you buy them - what are you going to do with them?
How can you make them better - are you buying them for "rental" aka cash flow - or is this part of a grander plan? The first few lessons of Dominiche really go over this with a fine tooth comb - It's crucial - buying sites for the sake of it always ends badly!

Jeffrey Kinseth 11:26 PM

He claims the work involved is about 12-20 hours per week to maintain the site.

I would initially buy them for the monthly cash flow and then renovate them to make them more successful then sell it.

Ed Dale 11:27 PM

Ok - making the ASSumption that we have worked out WHY we are considering buying the property - lets look at the initial data. How much is the site making a month - profit was it around \$40,000 dollars profit a year?

Jeffrey Kinseth 11:29 PM

The niche site says revenue \$48k and income \$40k. It was established in 2002 and work involved is 12-20 hours per week. asking price \$175k with inventory

It says it has a mailing list of over 10,000 people, it says lots of untapped potential with adding traffic generation and back-end sales.

Ed Dale 11:30 PM

Here is the Description....

Niche health product related business.

Recently article done in a major national publication that recommends their product. Sale includes 8 related domain names. Ranked #1 in Google for various terms in their niche and products. LOTS of untapped potential with simply adding traffic generation, back-end sales, a continuity program and selling more to existing customer base. Mailing list is well over 10,000 people.

Jeffrey Kinseth 11:30 PM

I need more details..but initially I thought the asking price is too high.

Ed Dale 11:31 PM

Did they mention unique visitors a month?

Jeffrey Kinseth 11:31 PM

No..that is something I am going to call them today to find out.

One thing I am confused about you mentioned all those detailed points to find out, however, I don't know if I am serious buyer unless they give me the details but then why would they give me the details unless I am a serious buyer?

Ed Dale 11:33 PM

And yes at face value they are asking 4.5 times earnings for a business that includes physical delivery (yuk! Sorry my bias for information products gets the better of me).

Jeffrey Kinseth 11:33 PM

You wouldn't be just throwing around the 1% option money on these to find out the details would you?

That one site looks interesting. The site that has credit products. they state they have the #1 forum on the net for it's niche. The site is currently mismanaged and neglected. A team of 2 to 3 people work the site and should easily bring gross profits up to \$150k per month. A few years ago it did bring that much income.

Ed Dale 11:35 PM

I think anyone is a serious buyer if they are serious about making a purchase at the right price. You need the information to remove RISK out of the deal. And lets face it nothing that we ask for information wise would take more than a few minutes and a couple of keystrokes to find out.

Jeffrey Kinseth 11:35 PM

Yes that is true. That credit site generates around \$25k per month now so it was mismanaged. I will find the details on that site.

So my big question. When you (yourself) find all the details and then you decide it is a good deal to purchase the site.....then do you do the work yourself? Or do you hire it out. Stuff like web design, writing articles, etc?

Ed Dale 11:42 PM



Ok - I always outsource these days - anything to do with website refurbishment's is a ten dollar an hour problem! My time is worth at least \$12.50 per hour!!! The \$2.50 difference keeps me in guitar magazines for the month!!!!

(This was my attempt at humour....note the word attempt....)

Ed Dale 11:47 PM

When you're looking to buy a site for cash-flow and renovation - you have to make sure that it's a market where you can compete - from an Internet Marketing perspective!

Ed Dale 11:48 PM

Now the cool thing is between Dominiche and Stompernet you're bringing a gun to a knife fight, but you need to feel comfortable with the "refurb" techniques that your going to use...

Ed Dale 11:49 PM

For example - you have a knack for getting sites well ranked in MSN - thats a skill - a major league skill - but you struggle with Google - now my fellow Stomper buds are the best in the planet at getting #1 Google spots - but those techniques take time and practice.

Jeffrey Kinseth 11:50 PM

Yes, I thought about making a product for getting traffic in MSN. say something like....are you finding it very competitive and difficult to get ranking in Google. I did too. But I now found a proven method to get top ranks in MSN and then show them 3 or 4 of my sites showing top rank in MSN

Ed Dale 11:51 PM

You just need to put the time in to learn the techniques.

Jeffrey Kinseth 11:51 PM

With MSN, linking isn't important, whereas with Google incoming links is vital.

Ed Dale 11:53 PM

I hear you - now I have to buzz off as its hitting midnight - good luck with it all - Oh and on JV'ing I'm always interested if I know the person has done the course (Dominiche) and knows how to do the due-diligence PROPERLY! But I drive a shockingly hard bargain :-0

Jeffrey Kinseth 11:54 PM

Okay, I will get the details as you mentioned to see if it is a good site.

Ed Dale 11:54 PM

Good luck !

Jeffrey Kinseth 11:54 PM

Thanks for your time.

Ed Dale 11:54 PM

No Worries

END OF CONVERSATION