



United States

Cambridge, 2006-04-27

Domain "gold-news.com"

Dear Mr. Braker,

Thank you for ordering your appraisal from the experts at Sedo! Below is our appraisal report for gold-news.com.

We hope that this report improves your understanding of domain valuation factors, in addition to providing you with an indication of your domain's potential worth. Our ultimate goal is that you are able to optimize each of these factors to sell your domain for more!

Please bear in mind that despite the great care and attention that has been taken in the drafting of our assessment, we can never guarantee that a domain can be sold for the estimated price if placed on the market. Ultimately, there is no "right price" as domain value is subject to widely fluctuating market conditions and demand at the time of auction or sale.

If you have not already done so, we recommend that you list your domain for sale at Sedo (it's free!) and follow our *Top 5 Marketing Tips* at <http://www.sedo.com/about/tips.php3> to maximize your chance of making a sale. If you have already identified a potential buyer for your domain, we would be happy to assist you with the negotiation process and domain transfer. Sedo offers one of the most secured and trusted escrow services in the industry, so you can have piece of mind when transacting a sale through Sedo!

If you have any questions, comments, or suggestions, please don't hesitate to contact us at info@sedo.com or info@sedo.co.uk. Again, thank you for your order, and thank you for choosing Sedo!

Best regards,

Your Sedo Team
www.sedo.com



APPRAISAL FOR GOLD-NEWS.COM

1. Top Level Domain

The Top Level Domain (TLD) or domain extension (e.g., .com, .net, .co.uk, etc.), has considerable influence upon the value of a domain name. However, not every TLD suits every term, nor does it suit every market.

The domain name gold-news.com is comprised of an English term and the all-purpose .com TLD. This tends to positively influence the value of the domain name.

The .com TLD has come to be synonymous with business on the Internet. The .com extension carries a higher level of prestige and reduces the risk of traffic diversion to other extensions. For these reasons, most businesses prefer to use a .com domain name for their online presence. In turn, this results in .com domain names having higher values than domains with other TLDs.

The .com domain has the advantage that it may not only be used in the English-speaking world, but in countries worldwide. This is particularly relevant in countries which have strict guidelines for the allocation of country TLDs like France (.fr) or Norway (.no). The resulting international shortage of quality .com names leads to prices considerably higher than for any of the other TLDs.

2. Length and Retention

The domain name gold-news.com is relatively short (9 letters). Our research has shown that shorter domain names (from 2-7 letters) tend to be the most valuable, while domain names over 10 letters long are worth slightly less. Long names of more than 20 letters become unwieldy and are worth only a fraction of the value of a shorter name. With a name of 9 letters, however, you are unlikely to see a large positive or negative impact in the domain's value due to the length factor.

The term is relatively easy to remember. The easiest domain names to remember tend to be those that consist of a single real word or a popularly-used expression. Although "gold-news" contains meaningful words, it is not a common expression, which could make the domain more difficult to recall.

3. Linguistic and Phonological Suitability

From a linguistic point of view, the domain name gold-news.com is considered valuable as it is a meaningful two-word phrase in the English language. Due to a general interest in these names, they tend to be more valuable than domain names in other categories (with the exception of single-word English language domains). A domain's value is inversely related to the number of words it contains—thus "gold-news.com" will generally be worth more than "gold-newsonline.com". Because each of the words in your domain is a short, common word, the name is not too unwieldy to spell or pronounce. This will mitigate the negative impact on the valuation that comes from having two words.

4. Typing Error Sensitivity

Companies often have a range of domain names that they might use to establish their online presence. This is commonly referred to as a domain portfolio. As a result, a company should try to acquire all possible variations, spellings and combinations of its name and its products' names. In



many instances, however, this has not been the case, and holes in the domain portfolio have been tolerated. Not surprisingly, these holes can cause traffic diversion. Through our experience, we have discovered that companies which only register one variation of a name (as opposed to registering every variation possible) experience substantial loss of visits due to users being lead to incorrect domain names.

The two primary reasons for traffic diversion are typos and using the wrong TLD. To prevent the former, a domain should be easy to spell and be as short as possible. To prevent the latter variety of traffic diversion, a domain should use the appropriate TLD for its target market. For example, a UK-based business should use the .co.uk extension.

One reason for traffic diversion lies in mistakes made with hyphenated domains. This occurs when only the name with the hyphen - or the name without it - is reserved. This can sometimes account for a significant amount of traffic diversion to the other domain name. Studies have shown that traffic diversion from a hyphenated domain to a non-hyphenated domain is higher than vice versa. Hyphenated domains are used less in English-speaking countries because of the unusual spelling and are therefore often worth much less than their non-hyphenated counterparts. In other places where the use of hyphenated domain names is more widespread, for example in the German-speaking world, they have a higher acceptance among users, and this leads to less traffic diversion. The domain gold-news.com, like all multi-word domains, is thus slightly vulnerable to traffic diversion as it may be written both with and without a hyphen (eg, gold-news.com). There may be a negative impact on valuation as this domain is intended for use in the English-speaking markets where non-hyphenated domains are the norm.

5. Legal Situation

Legal requirements and jurisdiction have a deciding influence upon the registration and sale of domain names. As long as there are no current disputes over domains comprised of trademarked or fancifully-coined terms, legal problems do not usually occur.

If the ownership status of a domain name is under dispute due to potential trademark conflicts, this will have a severe and negative impact upon the domain name's value. Likewise, if the domain could be susceptible to future trademark disputes, or has been a subject of disputes in the past, this could also negatively impact the domain's value.

The domain name gold-news.com can be categorized as a generic or descriptive name. Because trademarks granted on generic terms are less restrictive than those granted on unique terms, generic domain names are generally less susceptible to ownership disputes arising from a trademark conflict than are brandable, non-generic domain names. However, problems have arisen in certain cases. Because of this, you should consider consulting a qualified trademark attorney if you are unable to determine definitively whether or not the domain infringes upon pre-existing trademarks.

6. International Usage

Suitability for international usage is an asset for any domain. This is not a must, but it increases the value of a domain considerably. Both language and TLD influence the suitability for international usage.

Due to the .com ending, gold-news.com is suitable for international use. .Com domains are used not only in the United States, but also in many countries around the world where usage of the country-TLD is restricted or uncommon. This ending has a positive effect on the value of a domain name. The .com TLD has established itself as a symbol for the Internet and has achieved great recognition



around the world.

7. Search Engine Friendliness

The appearance of popular search terms in domain names allows them to achieve higher positioning in search engine results. Search engine algorithms give higher placements to domain names which contain the searched keyword. For example upon entering "gold-news" into the search engine, the results will contain many domains which have this term.

Search engine "methods" vary from engine to engine. Keyword presence plays an important role in results for engines like Google, but for example is not as important with an engine like AltaVista. In search engines where the domain name has a large influence on the positioning of the results, the web sites gold-news.com and gold-news.co.uk will tend to be positioned towards the top of results generated for a search of "gold-news".

The keyword associated with your domain is not an exact match. Although "gold news" was searched 788 times in the last month, "gold-news" was searched for less than 10 times in the same period. This suggests that the amount of type-in traffic that the domain is likely to receive is limited. Therefore, gold-news.com could most likely be used more effectively in some type of branding effort (see next point).

8. Branding and Advertising Potential

Ideally, the domain name is identical to the brand or company name in purely Internet-based businesses. Thus, for an Internet-based business, the domain name is doubly important as it serves both as the company's brand name as well as the means to locate the company online. The use of domain names by conventionally-established companies also results in a positive image transfer to the company and its products, as it implies the company is on the leading edge of technology. A strong brand identity (along with other factors, such as quality of the product on the Internet site itself) helps in building a successful website. This applies to both internet-based businesses and conventionally-established companies.

Although opinions vary as to what makes a good brand name, many experts suggest considering the memorability of a name, its sound when pronounced, what qualities the name suggests, its uniqueness, and how easy it is to spell. In addition, a brand name in the online world should use a .com extension, should not contain unnecessary words such as "online" or "website", and should not be hyphenated.

Your domain name has very good advertising and branding potential for the following reasons: 1) Short and easy to spell; 2) A prestigious TLD; 3) A descriptive and memorable term that is not entirely generic. For these reasons, it is definitely possible that either an existing company or an Internet Start-Up would be interested in developing this domain as an online brand.

While this increases the likelihood that the domain will be sought after on the secondary market, it does not necessarily mean that the domain will sell for a very high price. In contrast to generic domains, brandable domain names take on their value only after their notoriety has been developed through marketing and advertising efforts. Thus, brandable domains tend to sell for much less than generic ones (unless there is an interested company who has already developed this term as a brand name).

9. Market Chances

This describes the estimated probability that a buyer will be found for the domain. This is based on our experience in the domain trade and with the following five tips you can increase the chances



that the domain will be sold.

Place the domain for sale on all the important domain markets, where actual purchase and sale of domain names takes place. Entering the domain into your favorite domain forum won't do that much for you. Domains should be placed on a market where their brand name is actively being advertised, through banner advertisements, press releases or adverts.

Position your domains carefully, so that it can be found again by potential investors. Pay attention when choosing the category and adding extra information and remember to set a fixed price.

Do not set any unrealistic prices as this will deter potential buyers. You should base the price on our estimated value and ask yourself if you would be prepared to pay that amount for the domain name yourself.

Advertise the domain as much as possible. Just like in every market where offers exceed demand, advertising is essential. This also applies to your domain name when you decide you want to sell. You should enter the domain into our data base at sedo.com. Our experience has shown that domains that are listed for sale and display an offer link on their landing page are more quickly to be sold 3-4 times faster. As a result, we would highly suggest parking your domain with our company as well, as this greatly enhances the domain's overall market exposure and advertising ability.

Always reply to offers you receive. You will definitely receive some offers through our online marketplace as long as you price your domain reasonably. You should always respond to these inquires and offers even when the amount offered may be too low in your opinion. This is because there is always some chance for negotiations and the first offer is generally not the last. Make sure that your contact information is up-to-date in your Sedo account so that you can be contacted with interest from prospective buyers.

10. Commerce Potential

One very important factor in a domain name's value is the potential for online commerce in the domain's relevant subject area. First, we must consider what industries might effectively use the domain gold-news.com. Then, we need to answer the following questions: 1) How large is this industry, and how fast is it growing? 2) How well is this industry taking to the Internet?

For example, the construction industry is a huge global industry; however, very few construction firms are investing a large amount in developing an Internet presence. Similarly, a domain name geared towards a non-profit or purely informational site may attract considerable interest, but the potential buyers are not likely to be able to pay a large amount for the domain if the site has little commerce potential. On the other hand, in the travel, adult, gambling, and software industries (to name a few), an online presence is considered *de rigueur* and is very profitable.

Another key component in determining the overall commerce potential of a domain name is the industry associated with the terms it contains. Some industries lend themselves easier to the online world than others, and have a reputation for using the Internet to promote their products and services. Thus, any domain name that contains similar or relevant terms known to these industries can benefit significantly from this association.

Your domain is most identifiable with the information brokering industry. This is clearly an industry that is well-known for its online presence, often uses the Internet to maximize awareness, and is constantly evolving in the online world. However, because these domains are only geared towards



user awareness and not towards building commerce or revenue potential, they may lack for potential buyers. Thus the value of the name does not benefit significantly by its compatibility with this sector.

11. Comparable Transactions

Here we have domain sales that fall into a similar domain-related category, and which could be placed in a similar price bracket as gold-news.com. These domain names were chosen because they share one or more of the following characteristics with gold-news.com: 1) Extension; 2) Number of words; 3) Comparable commercial potential.

Please remember that past domain sales are not necessarily indicative of future sales potential.

goldcamera.com	\$199
goldmoneyclips.com	\$100
news-cafe.com	\$550
goldbuy.com	€720

The fact that domains similar to this have been sold is generally positive for the domain appraisal, and thus the chances of a sale being made are greatly improved. However, it may be that at the time of sale there was a special interest in these domains, and so we may not be able to generalize from this entirely.

12. Estimated Value

Based on our analysis of this domain name, we conclude the following; the estimated value of gold-news.com is:

\$650 USD

The estimated figure is based on factor analysis, and it is the value which we consider to be a fair price for both buyers and sellers. This price is subject to market conditions, negotiations and legal issues like trademark rights. The value of this domain name, including its ability to be marketed effectively, may be increased by following the guidelines for positive domain valuation as specified in this report.