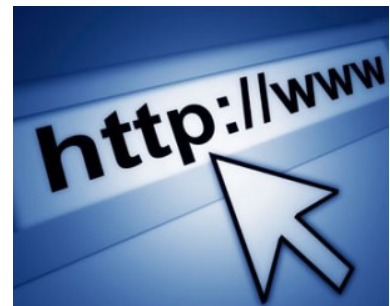


What is the Value of a **Generic Domain Name** to a Business?

Definition:

A generic domain name is one that is constituted from dictionary words used in regular language. Generic domains should mean something and will have value to a wide range of different people. Generic domains should not contain trademarked or branded terms. They should also make sense, if not as a whole at least in their parts.



Examples include:

<u>Totally Generic</u>	<u>Partly Generic</u>	<u>Not Generic</u>
CommercialRealEstate.com	iPhoneApplications.com	Google.com
Shoes.com	Cars4u.com	V24F.com

Why Are Generic Names Valuable?

Now that we've defined the term 'generic domain name' albeit loosely, let's now look at the reasons why generic domains are highly sought after and why they command a premium in aftermarket sales. There are several distinct reasons.

1) Memorability / Marketing Effectiveness

Generic names are easy to remember because people are already familiar with the words used in them. For the same reason, people are also much less likely to misspell generic domains.

Example. You see a plumber's van during your commute to work. You're looking to get some work done and when in work at your computer you try to remember the website painted on the side of the van. Are you more likely to remember and correctly spell SydneyPlumbing.com.au, ForrestPlumbers.com.au or JFP.com.au?

2) Descriptive

Quality generic domains help complete the marketer's goal of identifying what the product is *and* informing potential customers how to go about accessing more information on the product. As people in marketing know very well, simplicity is the key to marketing cut-through and therefore ROI (Return on Investment).

Using the domain name carinsurancequotes.com for example on your marketing material, tells people precisely what the company does and where they should go.

3) Search Engine Advantage

Search engines use complicated algorithms to determine the order of the results for any given search query. Whilst there are many hundreds of factors that go into this algorithm, one of the most important is the domain name. If the keyword searched for is contained within the domain name, Google & Co will give that website a massive positioning advantage in the results.

Additionally, if that domain name matches the search phrase exactly, this preference is even more pronounced. Search for a few phrases in Google and you'll see the first page will be dominated with domains that contain the search term of part thereof.

4) 'Own' Your Industry

Using a domain name that describes your industry or product, not just your company, also positions the company as the authoritative figure in the field. It also precludes your competitors from using the name.

5) Search Engine Marketing (SEM) Benefits

If you spend much money on Google Adwords or Yahoo SM, using a generic domain name that describes your product or industry (therefore closer matching the user's search) in your ads can dramatically increase your CTR and lower your costs. Anyone who knows how SEM works will realise what a difference this can ultimately mean to your cost per conversion.

6) Investment Potential

When you buy or register a generic domain name, you're buying something that will appreciate in value and will usually have a value to many other people. This means if your needs change down the line, you may well be able to offload the domain on the aftermarket and recoup all your costs. You might even profit from the overall transaction.

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