



## Domain Parking Performance: Revenue, Traffic, and Beyond

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Monetizers should provide you with a measure of traffic quality and volume, as well as average revenue and its risk. They should also consider absorbing some of the risk for a win-win service.

There still seems to be confusion as to how to measure your parking performance. To answer those questions, I consider three scenarios:

### **Scenario 1:** When to switch to another monetizer?

For this question, revenue per domain name is the most relevant criterion, as it represents the money you put in your pocket. Thus, you shouldn't care whether the money comes from higher average pay-per-click (PPC) or higher traffic volume.

When a number of parked domain names are involved, individual domain performance may vary under different monetizers. This requires a cost-revenue analysis. You need to decide if the additional total revenue from using a different monetizer covers at least the implicit cost of managing across service providers.

Because revenues fluctuate across months, you need to use the average over a period of time. Obviously, the wider the fluctuations, the larger the risk. Thus, you might want to compare average return per unit of risk. The larger the ratio, the better off you are.

### **Scenario 2:** Given a monetizer, what is the best optimization key word?

Typically, the ad relevance on a landing page is derived from the key words in a domain name. But automated algorithms are unreliable when parsing domain names into the best key words, so the ad relevance can end up being suboptimal. Some monetizers allow you to specify the appropriate key word that you want the ads to represent.

Under this scenario, you must choose the key word with the highest average revenue.

### **Scenario 3:** How and when should you sell your domain name?

The relevant decision information depends on whether the buyer wants to keep the name as a parking page or develop it. If the first, the buyer would want to look at the quality and volume of traffic. Revenue also matters, of course, but taken by itself it provides an ambiguous guide. For example, the PPC rate for mesothelioma (cancer from asbestos) reached \$100. Just one visitor clicking a high PPC ad can give revenue a definite but temporary boost.

Because you don't know the intention of the buyer, the monetizer must provide the three measures: revenue, traffic volume, and authenticity of traffic volume. If authenticating information is not provided, a reputable monetizer should provide the length of time it has been monetizing the domain name. The longer the time, the less likely the click fraud.

There is more to the monetizer's role:

1. It is not enough to provide domain owners with numbers. A monetizer needs to educate customers as to how to interpret the measures and why they are important.
2. The monetizer needs to make a business decision as to whether to provide data on average return and risk or allow customers to embed their own applications.
3. Some of the emphasis on monetizer transparency has been misplaced. For example, why should a customer care if the monetizer distributes only 10% of ad revenue when this is the best return performance among monetizers that the domain name can generate?
4. For customers who prefer a steady income, the monetizer might be better equipped to [manage the risk of revenue fluctuations](#). Thus, some customers would be willing to pay for the service, creating a win-win situation.

In conclusion, the minimum information that needs to be provided is traffic volume and its quality as it relates to click fraud, revenue, the time a domain name has been monetized by a reputable entity, and revenue fluctuation risk. A potential service by the monetizers is to minimize revenue fluctuation by absorbing the risk for a win-win service. ■