



Domainers, Monetizers Responsible for Sterile Parking Pages

Alex Tajirian
October 21, 2008

Myopic domainers and monetizers share the blame for sterile parking pages. To a significant degree, monetization service providers are rationally responding to the short-term interests of domainers. Certainly, the monetizers' large profit margins give them no strong incentive to change. Nevertheless, they are being strategically myopic.

The myopic behavior of domainers can be justified by some evidence that moving from the current sterile result-listing brand of parking page to a content-rich site results in a drop in revenue. However, the revenue loss can be temporary if content is built around the interest of users, or it can be permanent if content is splashed on pages simply to boost search engine optimization instead of having the visitors' experience in mind.

By tactically responding to domainers' myopia, monetizers are making a strategic mistake by forgetting about the patient domainers and the virtues of long-term value maximization. Such a tactic opens the door to new entrants. Moreover, there is anecdotal evidence that monetizers are dismissing the threat from a new generation of large-scale human customization services. True, the monetizers' myopia can be rationalized as a preference for not borrowing trouble and rocking the boat. However, they should learn from the unhappy experience of eBay, which stuck with its unpopular auction mechanism for fear that a "Buy Now" regime would alienate sellers. (The unpopularity of auctions is not because of buyers' price sensitivity, but their diminished shopping experience.¹) In response to indirect pressure from buyers, eBay started eBay Express, which automatically compiles all the nonauction listings under one roof. But because eBay did not have the strategic guts to really promote the new service and alienate their sellers, Amazon was able to amass the disgruntled buyers.

In moving to an original content regime, the private monetizers may have the edge over publicly traded entities in that they don't have to worry about meeting quarterly figures, leaving them free to focus on long-term profits.

Looking at the content issue from another angle, we are in the middle of an identity crisis. What is parking? So far the answer has been monetization, i.e., considering only the owners' side of the equation. To survive and to better service the interest of domainers, monetizers must consider user experience too. Hence, there is a need to change the industry mindset. ■

¹ Is this the reason for the popularity of live domain-name auctions in the Internet age?