

ZipSmart.com Revisited: How to Google-proof Your Business – With Jake Ackerman

Watch the full video at:

<http://www.domainsherpa.com/jake-ackerman-zipsmartrevisited-interview/>

Domain name investors and entrepreneurs come on the DomainSherpa Show every week to share their success stories, tips, and techniques as well as their hurdles and their setbacks. Recently we have received a ton of interest from our audience to catch back up with some of the past entrepreneurs, so we invited DomainSherpa #3 back on the show today for an update on his Geo-based Directory Business called ZipSmart.com and how it has faired since our original airdate two years ago. Stay tuned.

Three messages before today's interview educates and motivates you.

First, if you're a domain name investor, don't you have unique legal needs that require domain name technical know-how and industry experience? That's why you need David Weslow of Wiley Rein. Go search for David Weslow on DomainSherpa, watch his interview and you can see for yourself that he can clearly explain issues, can help you with buy/sell agreements, deal with website content issues and UDRP actions, and even help you write your website terms and conditions. David Weslow is the lawyer to call for Internet legal issues. See for yourself at NewMediaIP.com.

Second, managing multiple domain name marketplace and auction site accounts is a pain. Inevitably, you forget to sign into one and lose a great domain...or worse. Now imagine using a single, simple-to-use and comprehensive control panel to manage all your accounts. That's Protrada. You can setup search filters, analyze domains, automate bidding, list domains for sale, and buy domains across all major marketplaces. Protrada also has a new semantic engine that builds Google-friendly websites with rich content and network feeds. Sign up at Protrada.com to get 20 free credits and start building and monetizing your domains today.

Finally, if you have questions about domain names, where should you go to ask them? The answer is DNForum.com. Not only is DN Forum the largest

domain name forum in the world, but it's the best. You can learn about domain names and the industry, buy and sell domain names, talk about domain name news, and meet other domainers just like yourself. Register for a free DN Forum account and begin advancing your skills and knowledge today. And when you do signup, send me a friend request so we can connect.

Here's your program.

Michael Cyger: Hey everyone. My name is Michael Cyger, and I'm the Publisher of DomainSherpa.com - the website where you come to learn how to become a successful domain name entrepreneur and investor directly from the experts.

For anyone that is a fan of the television business shows Shark Tank or Dragons' Den, you are likely familiar with business updates they provide every once in a while. That is when an entrepreneur from a previous season who was funded comes back and shares an update of their business. But what we do not see are any of their difficulties, their setbacks, their tough times, or their hurdles that we know that they go through. It is just not real to me. And we do not get to hear any of how they had to change their business model to change with the times or to fit with customer's expectations.

But as you know, that is not how we roll at DomainSherpa, so today we have invited back an entrepreneur from the past, Jake Ackerman. Jake is the Founder of ZipSmart.com - a portfolio of category-killer generic industry domain names that host geo-based directories and allow companies to own their own zip code online for products and services and, in the process, generate customer leads. I invited him back to update us on the progress of his company.

Jake, welcome back to the show.

Jake Ackerman: Thanks Michael. Thanks for having me.

Michael: Great to have you back. And I should point out that Jake and I tried to do this interview last week, and we got about twenty minutes into it and then all technology decided to work against us, so I want to thank Jake right

off the bat for coming back, for redoing part of the interview, and for joining us and making sure that we get an update of his business. So, Jake, I cannot believe it has been two years since you last came on the show. It just seems like it was a couple months ago.

Jake: Yeah, really, time flies, for sure.

Michael: And I am the kind of businessperson that likes business models that are relatively simple to understand. I think the greatest business models in the world are simple. Like Google. We show great results for search engine results when you type in a query, and then we place a bunch of ads around it. It is a simple business model, and that is what drives ninety percent of their revenue. Your business model was pretty simple back in 2011. In my intro, I used a lot of descriptive terms - geo-based, directory, etc. For somebody that is uninitiated, it may seem a little bit more difficult to understand, but if I boil it down, you buy great domain names like FurnaceRepair.com, and then you buy a directory of companies serving that industry in all 50 United States. You take that, you put it on your website, you optimize our website for pages in long tail search traffic, and you drive traffic to those pages, which then call up these companies around the United States to look for their services. You hire a sales force to call those people also in major Metropolitan area, and then you sell them zip code sponsorships at the top of the page for twenty to fifty dollars per zip code. Did I oversimplify it or is that basically the business?

Jake: No, definitely. In 2010 and 2011, that was definitely the business model that we felt like was a homerun and we were excited. In fact, we went out and we patented it. So, that is definitely what our model was. And it has changed a little bit, but that is still kind of the concept we are passionate about.

Michael: Awesome. So let me give a quick update of that order of events as I know it and then maybe you can clarify. So, if the audience has not watched your original show yet, and they should, they can go on the right-hand side of the screen. There is a box with all 100+ interviews that I have done so far over the past couple of years, and scroll way to the bottom. You are number three. You launched ZipSmart.com in February 2010. You presented at the Domain Fest Pitch Fest Competition in February 2011. That is where I met

you. You came onto DomainSherpa to tell your story in March 2011. So, it has been almost two years since that date. How has the business changed in the past two years?

Jake: It has changed a lot frankly. The advertiser who is the service provider in any area has been forced to deal with Google. They have been forced to be proactive. If they are not visible on Google, they are basically invisible in their marketplace. People are searching on their phones. People are searching online. People are searching on their tablets. And if they are not showing up on Google, they are basically not showing up in their marketplace, and so, without question, that combined with things like Living Social, Groupon, Yelp, and the like, really, if they are not showing up on the Internet, they are not showing up at all. And that has changed and given Google a lot of power over who is successful.

Michael: Yeah. And so, how has that affected your business model with sites like FurnaceRepair.com or some of the other? PestControl - you have got a couple of pest control sites as well. How has that affected your business model?

Jake: Yeah. So, our experience has been, first and foremost, that early on we felt like owning an entire sort of library of category or keyword names was in our best interest. So, you mentioned FurnaceRepair.com. Well, we might have FurnaceService.com, FurnaceRepair.com, HeatingRepair.com, HeatingContractor.com, and we would take this library approach. And with some of the updates that Google has done to punish exact keyword names and penalize content for being too similar or the same from one site to another site - some of those penalty updates -, those are the things that have affected our business and we have had to react to them, so that is one way I think it has affected our business, Michael. The other thing that has changed is Google itself. When we started, in 2010, the search results were very much organic search results. The map was showing up for certain keywords, but for most of the keywords the map was not showing up. When I say the map, I am talking about Google Places, which we know started out as the map and then became Google Places, and now I think it is Google Plus Business Page.

Michael: Right, Google Plus Local or whatever. Yeah.

Jake: Google Plus Local, etc. So, that map thing that Google implemented in late 2010/early 2011, every time Google changes a layout of a search, it has changed where we would show. We have benefited from some of the updates they did that knocked out some of our competitors who were ranking higher than we were, and we have also had the unfortunate frustration of losing customers because they changed something that impacted our ranking and customers decided that they would quit because we were no longer at the top of the page. So it has been a nonstop process of change, and I definitely have some conclusions that we have drawn internally as a result of those.

Michael: Yeah. So, in 2011, you were growing. You said your run rate was targeting half a million dollars; your goal was to hit a million dollars in revenue in 2011 based on your growth. Did you hit that target?

Jake: We came really close. So, frankly, we never got to one million in annual sales. Every time Google would change something, we would have a few customers drop off. We would get a few customers who would hang with us. We would tweak everything and reinvent ourselves, and bump back up on the rankings and our traffic counts would improve again. We would add new customers again. We found that we just sort of fell into a cyclical process of trying to stay ranking and keep our customers, and so I think, as long as we were employing the full time sales force and as long as we were one hundred percent focused on that model, we were able to achieve annual sales, I would say, under one million dollars. Just under one million dollars in sales, and just kind of cycle those dollars as add new and lose some.

Michael: Yeah, and how are you doing today? How is your 2013 looking?

Jake: 2013 is looking okay. We made a decision to change our business model a little bit, and so 2013, we are still bringing in revenue. We have some very loyal customers who have partnered with us kind of more for the long haul and like some of the changes that we are making, but we are trying to sort of Google-proof our business frankly, Michael. That is one of our things internally that we talk about; is how we make this Google-proof.

Michael: Yeah. And you have been very open with me in the past with respect to your run rate and revenue generated. Are you willing to say what your current run rate is at ZipSmart?

Jake: It is twenty to thirty thousand. I do not know exactly what the number is because it still does fluctuate a little bit, but it is about twenty to thirty thousand dollars a month.

Michael: Great. So, you have been affected by the Google rankings, which have knocked your multiple - many different - websites out of the number one place for the large category words, which may have driven a lot of traffic, but you are still ranked for long-term, it sounds like, and you are still generating leads every day for customers, and you still have some customers that you work with on a regular basis, and you are generating two hundred to 300+ thousand per year on ZipSmart.

Jake: That is true.

Michael: Okay. And you are working forward to Google-proof your business, which I want to learn more about because I think pretty much everybody wants to Google-proof their business. So let's chat about that. In the interview that happened just before yours - so, if people want to go back and watch it -, I had Chad Fisher on, another Seattleite who is an SEO veteran, who is running a website called WordsForLess.com, and how he developed content to try and not Google-proof it, but as Google moves towards good content and finding websites that have good content or great content that people want to link to that they should rank well at the top of search engines, were seeing a lot of the backlash still from Google Panda update that took place. So, if anybody wants to go watch the last interview and understand the progression of Google from Panda to Penguin, and why those were implemented and what is doing, they can go watch those. So, I do not want to rehash a lot of this, but it sounds like a lot of your businesses have changed. Back when I interviewed you last time, I cannot remember exactly how many domains you had. I think you said you had fourteen hundred. Is that correct?

Jake: Yes.

Michael: And do you roughly have the same amount of domains today?

Jake: No, we have divested ourselves to about four or five hundred names.

Michael: Okay, so you are down to one thousand or nine hundred domains?

Jake: Yeah, I would say about eight or nine hundred names.

Michael: And are you still focused on category killer domain names that define an industry like FurnaceRepair?

Jake: Well, without showing my cards too much, we are very much focused on names that are brandable. And when we talk about Google-proofing our business, I think the interview that you referenced, which I would definitely encourage all of your DomainSherpa fans to go view as well, talks about, really, I think a similar idea that we had early on, Michael, which was: "Let's find out what Google wants us to do and let's do more of that." And it has certainly never been a bad thing to create relevant content, but whether it is creating a bunch of backlinks, which was three years ago, or whether it is adding a Google Plus page and getting a bunch of people to like your stuff, which is maybe more what is happening now, or the reviews on Google Local, or some of those things that people do to game the system. We have sort of taken a step back as a company and said, "We want to be the authors of our own destiny and we still love good domain names, and good domain names are names that describe what they are." So, when I tell somebody that I operate FurnaceRepair.com, people think: "Oh, well, if I need my furnace repaired, I am going there." So, that is a good domain name and, if that is what you do, it is also very brandable. A name like maybe HeatingService.com might be less brandable, and so we are taking a look at those names as: "How do we still take advantage of the fact that we have some of those names, or how many of those names should we get rid of, either through an auction or literally, in some cases, just allowing those names to drop off?" Contact me if you want to buy some of those names on the cheap. No, I am just kidding. But we are looking at: "What do we do internally to create more of a brand?" Really, partner with our advertisers in the marketplace so that it is not just a pay for the lead, but really pay for a partnership that lasts beyond. Effectively, what we have done is we are

transitioning our company away from being: "We have tons of traffic because we are ranked on page one of Google, so pay us," and moving our company back into being kind of a brick and mortar company that represents brands, and does the marketing, and helps our customers do the marketing; and those are some of the things that we are doing a little bit different.

Michael: Okay. Well, that makes sense. So you are moving away from thousands of domain names and pumping out websites that may be just directories that rehash your database and slice them and dice them and present them in different ways to more of better domain names that may be keyword rich and maybe define an industry, but you are going to create a brand. You are going to create a real business out of it. And is FurnaceRepair like one that sticks out in your mind as: "Yes, we are leading with that one"?

Jake: No, it is not, in fact. We are very focused on HeatingandAir.com. So, we looked at the industry. That is a good example. We looked at that entire industry and, at one time, we had as many as one hundred and fifty or two hundred different domain names we were sort of building web directories for all on a common platform and, as you mentioned, slicing and dicing them so that each different name or site might look a little different, but it was all basically the same thing. And we have transitioned now our clients in that industry away from sixty, or seventy, or one hundred directories that are all unique keywords, but basically the same directory. We have transitioned those to a National brand footprint we call HeatingandAir.com.

Michael: Great. All right. So, I understand how you are shifting your business model. You are moving from the business model of web directories to almost a full service marketing provider or service provider and partner to certain companies around the US on a specific industry. And you are putting down a bigger bet on certain industries rather than spreading out your bets across hundreds or thousands of industries.

Jake: Exactly. And I think that our focus, as I mentioned before, is, as we try to Google-proof our business, if I can buy traffic from Google that serves the same purpose on behalf of my clients, that accomplishes the same thing I was trying to do organically before in less time. It serves my customers better and, at the end of the day, my customers are willing to pay for value. They want

value. They want leads. And we are trying to build a brand. We are trying to partner with them to build branding and engagement with their customers. So, I think if you ask what we were before, before we were probably a directory and Internet marketing company. We were a lead generation and Internet market company. I think now we are a branding company and we are a customer-engaging company. We are a branding and marketing company that creates awareness for the customers who work with us. And at the end of the day, the thing they want from us is still the same. They want to make their phone ring. They want to get those leads. They want to be relevant. They want to show up on Google. And I think that we help them accomplish that, but we are doing it better and more predictably with one really good property like HeatingandAir.com instead of one hundred directories that do not have a lot of branding value and really are not that engaging with the consumer.

Michael: Right. And it potentially reduces your authority in the space if you have a bunch of different websites that you just do not have the time to get going and focus on. So you are really focusing on one, starting with HeatingandAir.com. Do you feel like you have other ones that are taking off as well in addition to HeatingandAir?

Jake: Yes, we do. We have several others that we are really excited about.

Michael: What are some other good ones?

Jake: We have Plumbing.org. Oh man, we have HeatingandAir.com and Plumbing.org. We are excited about other names I would throw out. PaintingPro.com or just anything that we feel like is brandable to the consumer. Whether it is an exact match keyword or not, I feel like a brandable names are the names I am excited about. They are relevant for search, but they are also very brandable for the consumer. Those are the names we are excited about.

Michael: Great. And how are you running your business differently now with respect to getting traffic to the websites that then converts into leads for your customers? You are still focusing on SEO, but are you buying traffic as well or any zero click campaigns - anything like that?

Jake: Yeah, we love remarketing. We are investing more in the marketing that we actually do on behalf of our customers. We find that the reality is our customers are spending money with Google anyway.

Michael: Right.

Jake: If they do not spend it through us, they are spending it themselves anyway; and if we can help them do that more efficiently by providing them a category killer presence that is nationwide, then that is a win for them and it is a win for us, and we can help them manage that spend as well. And then we have industry expertise, so that is where we are coming from.

Michael: Yeah. So, instead of them going to Google and managing their ad spend, and optimizing their campaigns, and making sure that they are eliminating words that are not paying off, and things like that, you will do it for them. You can probably do it for less; plus you have the added benefit of the industry knowledge as well as the knowledge of Google and how ad buys work, and then you have a brand that you can then leverage across multiple other sites through retargeting. Is that a good summary?

Jake: Absolutely. And I do not want to take away from the SEO that we are doing, and the organic results that we get, and the traffic we get every single month because we have a great name, and the traffic we get every single month because we are keyword optimized and because we are SEO savvy, but we are not approaching it from the standpoint of: "Hey, do business with us because we are ranked number one on Google." We are approaching it from the standpoint of: "Do business with us because, from a brand perspective, and customer engagement perspective, and an expertise perspective, we are an excellent partner to have in your corner. And if we happen to rank on Google that is just icing on the cake."

Michael: Right. That is not your full traffic plan. It is just a part of it now. And you are trying to Google-proof your system by looking at all the different ways you get traffic. SEO used to be a big portion; now it is just a small portion.

Jake: SEO, remarketing, social media, viral video content - all of the above.

Michael: So what are you doing differently for content now? Before, I did not see HeatingandAir.com before. I did see FurnaceRepair.com before, and you basically bought a directory of every single business in the United States and you put it up, and you maybe had a few articles on there, but I did not see a lot of content - a lot of original content - that would differentiate your site from other sites. What are you doing differently going forward?

Jake: Yeah, we have kind of gone away from the directory model all together, Michael. We no longer are worried about the directory stuff. We are trying to create a brand. And by definition, if we are really creating a brand, our content is unique. It is specific to us. It is specific to our brand. It is specific to what we do, and so we are working directly with our customers and interacting with our customers to make sure that they are onboard with the content that we are creating, and we look at it as kind of a joint partnership of creating that content together with our customers and not just on our own.

Michael: So what does that mean? If you have a national heating and air company that wants a bigger presence, will you sit down and plan out different topics that you would like to publish on? And then you write up a first draft and they edit it, or how does that content partnership work?

Jake: Well, I would not say that that is a model that we have pursued, but a content partnership might be we are going to create a video that talks about a question that people may have. "Hey, my furnace is no longer turning on. How do I figure out what is wrong?" And we may partner with a local provider or a larger company that we have, and having them come on and be involved actually explaining to the customer what they want and how they can solve their problem or how they can identify what the problem might be, what they can do about it, and then we kind of become the author of the content, but we partner with them and feature that local provider in our content that is going to be visibly nationally as well. Along with getting feedback from them on the things that are most relevant. What questions are their customers asking and what are their customers looking for? Something as simple as an on-time guarantee for a heating and air guy or, in the case of a painting company, a checklist of guidelines that need to be followed when a contractor shows up to a customer's house, and working with them so that we

know that our provider that we do business with in Denver is following the same steps and guidelines that someone who does business with them in Atlanta. So, those are some of the things. Really creating a community as well. It is all sort of cliché stuff, but it is stuff that definitely is on the forefront of what we are trying to accomplish.

Michael: Yeah, that is good content, especially if I have a problem with my furnace light not turning on and I can go do a search and find that content that allows me to figure out how to get it turned on or, if it still does not work, I just watched somebody who is well presented, who is clean cut that seems authoritative, and I am going to fill out a lead form and have them come fix my furnace, because he seems like a great guy, or she.

Jake: Yeah.

Michael: Yeah. So, how have your outbound sales changed since you have shifted your business model? Do you still have a sales force that goes out and tries to sell twenty to fifty dollars per month, or have you sort of moved up the sales channel and now you are trying to create partnerships that are worth four or five figures per year? How has it changed?

Jake: Yeah, it definitely has changed. At one point, we were as much of a recruiting company as anything. We were recruiting very heavily, trying to find salespeople to call every business in the country. And we have gone away from that model and we have gone more toward the model of referrals from our existing customers and the people that we work closely with, and more toward the model of people. People do find us online every single day. I cannot tell you how many people find our websites online. They reach out to us and they say: "Hey, how do I get listed with you guys? It seems like you are professional," and then we respond to them, but it is less cold calling and I would not say we have a full time sales force over people who are smiling and dialing as much as we just try to build relationships.

Michael: Right. Got it. And so, do you have more than one person that is doing outbound sales? Are you that person because you know the business best?

Jake: As a CEO I guess, if you want to call me that, or a Chief Visionary Officer is what I like to say, but as a CEO there is no doubt that I am engaged and I am the company's probably biggest and best salesperson. I love what we do and it makes me happy. But yeah, we have a couple other people who are tasked with making sure that those sales continue to roll in.

Michael: Yeah. So, before you were operating in forty industries. You had heating and air. You had HVAC. You had plumbing, electrical, and pest control. Which industries are you focused on today? Can you say these five industries we are focused on today?

Jake: The reality is there are a couple things going on. One, we have decided to change the model and it has not been easy yet to get that model fully changed, and so we are still working through changing the model. Two, I believe that we want to be in more industries than we are, but some of them that you have mentioned - pest control, heating and air conditioning, the HVAC industry, plumbing, contractors, service companies, home service companies, professional - that are all industries that we are still very much interested in. I think we are finalizing some tweaks to this new technology that will allow us to do this and sort of run these relationships. And as those things get finished, then we will move forward with more industries.

Michael: Great.

Jake: It is worth noting, just because you said that, we have been aggressive. While we have not been as aggressive as we needed to be in the launching new industries, we have been aggressively buying better names. So, we have been getting rid of some of the longer tail names. I would say I am up thirty names from where I was before, and those thirty names are all stronger, and I am probably down four to five hundred names that I think we sort of just either let go or sold at a very reasonable rate.

Michael: Yeah. Can you give me an example of one where you let go of a couple of domain names that stick out in your mind as not so good and you picked up a better domain name?

Jake: Yeah, I do not always love talking about the specifics, so HeatingandAir is going to be an easy one. Well, we sold LocalRoofer.com. I do not know what has been done with that one, but HeatingandAir is an easy one because we have been kicking it around and we transferred from, as I mentioned before, AirConditioningRepair.net to HeatingandAir.com. So, we bought HeatingandAir.com as an example of a name that we have acquired. And an example of a name that we let go would have been maybe ServiceHeating.com or something like that.

Michael: Yeah, that makes sense. And I think a lot of people who are new entrepreneurs may watch this show first, Jake, and say: "Well, why didn't you just go after HeatingandAir.com to begin with?"

Jake: It is a great question, and I would tell any of them out there: "If I had it to do over again, I would buy the bigger name first." A good friend of mine in the domaining industry who I love to give lots of props because he is a great guy.

Michael: Give him a shout out! I think I know who you are talking about.

Jake: He is a great person and anyone who knows him is lucky to know him. Page Howe. Page used to say: "You have not started in the domaining industry until you have spent thirty grand on names you should not have bought," or something like that, and he is full of these wonderful sound bites. You have not started in the domain industry until you have spent thirty grand on name you should not have bought. And I really think there is a little bit of truth in that. You see one and you are like: "Okay, I am going to go big," and you buy one for three thousand dollars that, two years later, you realize was not worth one hundred. And on the flipside, you buy a couple of names for one hundred bucks or for reg fees and, two to three years later, you are like: "Man, I am so glad I bought those names because they are really worth something." So, it is tough, but I would definitely say if you can get a good name, you are better off. My experience is I would rather have one really good name and focus on it and build it than have one hundred names that I am either parking - no offense to any of the parking companies, but one hundred names that I am parking - or even if I am creating my own parking platform. We have gone away from anything that even resembles our own

parking platform and we are really focused on one solid footprint per industry.

Michael: Yeah, it is good advice, and I think for newcomers it is hard to figure it out because three thousand dollars seems like a heck of a lot of money. And only till you are generating some money and you look at that and you say: "Well, now it seems like a good deal." You almost become desensitized or you are over sensitized to how much good domain names cost when you come from outside the industry, and you have never looked at pricing, and you have never looked at valuations and what sells on a regular basis on DNJournal.com. So, I completely get where you are coming from. And then, often times, you may say: "I want to get into heating and HVAC or heating and air conditioning because my family has been working it for years and I get it," but you do not know what domain name is better until you have started to work in the industry and you have played around on the web for quite a while, and you have reached out to some people and asked them if the domain name is available for sale. And everybody always has overinflated expectations of what they should sell it for and sometime it takes a while to negotiate a price. So, there is a lot of factors that come into play there

Jake: Along with that, Michael, I think it is worth noting and because we have been sort of picking on this heating and air theme, if you Google how many people search every month for heating and air, it is far smaller than how many people search every month for air conditioning repair. A lot more people search every month for air conditioning repair than search for heating and air, and so one of the traps I think that we fall into is we use those Google exact search keyword tools or whatever to dictate what we think a name is worth. And I have been as guilty of that as the next guy. What I have learned and what I believe, and it is worth what your viewers are paying for this advice, but my experience indicates HeatingandAir, for me, is a better name because it is more brandable and it still has search, and it is a better name. When people talking about the heating and air industry, they say heating and air. And so, we spent a good amount of money for HeatingandAir.com late in the game because we felt like it was brandable. It was not as good of a keyword name, but it was still a good keyword name and it was more brandable. And that is our model going forward.

Michael: Yeah, that is a great point. And for anybody that has not watched that Adam Dicker interview recently, entitled Good Domain Names Versus Crappy Domain Names, watch that interview, because in it I revisited with Adam on ReputationRepair.com, which he owns. And any domain name investor that is searching on buying domain names and seeing reputation management growing in search volume and cost per clicks, it was not even around four years ago. Now it is big. Go type in 'Reputation Management' into Google and you will find like a ton of people paying a lot of money - twenty-five to thirty-five dollars per click. And he bought a smaller search volume. If you search 'Reputation Repair' versus 'Reputation Management', some people would look at it and say: "Well, Adam bought the smaller one. If I were getting in this space, I would buy ReputationManagement because the search volume is much bigger. And if you multiply the search volume times the cost-per-click and try and value the domain name based on that, it is a much more valuable one," but what I did not realize until he was on the show was that people that have screwed up their reputation - they got a DUI and it is public knowledge on the Internet - want to repair their reputation versus just managing something going forward. And so, there is a much higher possibility that they will spend their money to get it taken care of and spend more to get it buried onto page three or page four or have it removed. And so, to your point exactly, 'Heating and Air' is the phrase that most people use in the industry, and so, if you are trying to reach those people and you want to create something that is more brandable and it is shorter, unless you were in the industry you might not know that.

Jake: Yeah, and that goes back to the Page Howe thing. You got to just jump in and take action. I mean I am excited and blessed that we are doing what we are doing. I love what we do every single day. We are profitable and we are excited about the opportunity to reinvent our business. We grossed well over a million dollars and we have had a good time doing it. We have learned a lot and we would not have done those things if we would not have gotten out there and built something. And that is why I would say that any domainer - go build something.

Michael: Yeah, you learn a lot in building. I am a big believer in the Pareto Principle, where said that eighty percent of the results happen from twenty percent of the inputs or causes. In the case of businesses, most businesses will

find that eighty percent of the revenue comes from twenty percent of the products and services. Do find that on your sites right now? Are you seeing that HeatingandAir.com, for example, is delivering eighty percent of your revenue?

Jake: I would say yes. I would say that, even when we had twelve hundred names that were active, it has always been a situation where people will come to us because they see one or two names that they are excited about, and everything else is: "Oh, that is cool too," but all they really cared about was the few names that they were really excited about.

Michael: Yeah. Hey Jake, your video just darkened a little bit. Is there a screensaver that is going on and off, or no?

Jake: No.

Michael: All right, it just darkened a little bit. All right, we are just going to plow through. I can still see you. The audience is still going to be able to see you. All right, I just wanted to point it out in case anybody in the audience is saying: "Hey, why does Jake keep darkening a little bit?" It is because he is very tan from the Utah sun. All right, so today you are still driving traffic through search engine optimization, but how have you augmented the traffic to, say, HeatingandAir.com? Are you doing more on social media? Are you doing more newsletters? Are you doing more content on other sites to drive traffic back? How are you managing traffic?

Jake: Frankly, we are buying it.

Michael: You are buying it.

Jake: Yeah, we are buying more traffic. Yeah.

Michael: Okay. So you have got long-term partnerships with advertisers, you are managing the spend, and then you are going out and you are just buying more traffic. And where are you going to buy your traffic?

Jake: We are buying it from Google.

Michael: All right. So, Google is not only sending you search engine traffic, but they are sending you pay-per-click advertising. Are you also doing newsletters at all or social media, or any of the other channels to drive traffic?

Jake: We do not do newsletters, although it is a good idea. You always have good ideas. We have not done newsletters. It is a good idea. We have not felt like the engagement of what the consumer - consumers who need a furnace repaired have to get it repaired and then after the fact, do they want to keep getting a newsletter? Well, we do not know. We have not done newsletters. We frankly have just been focused on buying traffic better. We have been either buying it from Google or we have been buying it through a remarketing service.

Michael: And when you buy it through a remarketing service, can you explain what that is?

Jake: So, basically, they could have come to our site by going to Google and typing in HeatingandAir.com. We show up at the top of the list, they click on our site, they come, and they see our customers in their areas, etc. That could be one way that they find HeatingandAir.com and, once they come to our site, we try to track conversion or if they are converting into a lead. If they do not convert into a lead, then our remarketing kicks in and we try to show them HeatingandAir.com ads for the next week or two after they visited our site. And those ads might show up if they are on YouTube. Those ads might show up if they are on CNN.com. Any of the affiliate sites that are a part of our remarketing backend effort, then they would see those ads. If they were in a Gmail account, even though they are not doing a search for Google, they might see it in a Gmail account. They might see it on Facebook. Those types of things.

Michael: Yeah. I got remarketed once when I went to Grasshopper.com to look for a virtual phone system for my businesses. And then I did not end up buying that day because I wanted to do some more research, and everywhere I went on the web I was seeing advertisements for Grasshopper.com. It was a pretty amazing remarketing campaign, and I ended up buying. Where do you

go and buy your remarketing campaigns? Is it through Google or some other source?

Jake: We have both. We do use Google and we use another source. And frankly, this is going to be a little bit of a confession. I do not know the name of it because I have someone who handles that and they report to me on what happens, but I do not know the name of the other service.

Michael: Yeah.

Jake: I am sorry. If I did, I would tell you, but I do not.

Michael: No worries. If people want to know that badly which other service you are using, they can ask you in a question underneath this video and say: "Hey Jake, what is the other service?" We will leave it to them. If they do not want to know, then nobody will ask you that question.

Jake: Perfect.

Michael: All right. So, last time we spoke, Jake, you had mentioned that you were still running forward with ZipSmart.com. Clearly it is still an operating business. You are shifting with the times to face the Google updates and you are shifting your business model to provide more value to your users and make sure that you continue to get traffic and drive that traffic to your customers as leads and as the phone ringing. But you have also got another enterprise that you have started up recently. Do you want to talk a little bit about that? I found it interesting.

Jake: Okay, we can.

Michael: Do you not want to talk about that? Do you want to come back as another show and talk about that when you are ready?

Jake: Yeah, I would rather come back.

Michael: All right, we will come back on that. We will get you back another day. I was not sure if you wanted to just brush on it and provide that, or we

can definitely talk, but that is why I never throw anything out, because I am like: "Hey Jake, tell us about the new business that is turn out --," and: "Mike, I thought we were not going to discuss that."

Jake: Yeah, I appreciate it. So, as a company and what I am personally focused on, I will tell you, is I want consumer engagement. I want direct interaction. I want consumer engagement. And as I look at the factors in the marketplace, ranking on Google and having no consumers know who we are is not as important to me as having a presence that consumers connect with. And so, in my other business, and if you want me to come back at a future date, maybe give two or three months and then we can talk more, but I am very focused, Michael, on consumer engagement - direct consumer engagement. I want those consumers to give me their email address. I want those consumers to identify my brand and feel like they have a connection to it. I want those consumers to engage with our brand and that they might jump online and say: "Hey, I recently did business with HeatingandAir.com, or I recently was engaged with this brand, and it was a great experience," and share that with their friends. And so, our focus internally is direct consumer engagement, and we are doing that with our ZipSmart business. As you alluded to, I am doing that in a couple of other avenues as well, and I am excited about the results. It feels more like it is my business and, if Google changes something, there is still my costumers. And strangely, I am spending more money with Google than I ever have before, but it is worth it to me because instead of just getting a free click from Google that I got organically, it is worth it to me to spend money with Google so that Google can give me customers that are then my customers and they are engaging with me before, during, and after the sale. So, that is where I am going with my business.

Michael: Yeah, great, and I look forward to having you back on in another year, Jake, and talking about where your business is then. Maybe you will be like a full service marketing company in all forty industries, or maybe you will be focused on Heating and Air even more in-depth and creating deeper relationships. I look forward to seeing where your business is going and continuing to talk about your success moving forward.

Jake: As always, I appreciate you having me on, man. It is always a blast to talk to you.

Michael: If you have a question for Jake, please post it in the comments below this video and we will ask him to come back and answer everything that he feels comfortable doing. You can follow ZipSmart on Twitter at @ZipSmartCo. And Jake, if people want to contact you and say thank you for coming back on the show, providing an update and helping them to see how you are shifting your business model and tactics to fit with what is going on in the business world today, what is the best way that they can reach out to you?

Jake: They can email me directly at Jake.Ackerman@ZipSmart.com.

Michael: Excellent.

Jake Ackerman, Founder and Chief Visionary Officer of ZipSmart.com. Thanks for coming back on the show and sharing your lessons learned as an entrepreneur for others to learn from and thanks for being a DomainSherpa. Thank you all for watching. We'll see you next time.

Watch the full video at:

<http://www.domainsherpa.com/jake-ackerman-zipsmartrevisited-interview/>